Offshore transmission revenue and incentive reporting regulatory instructions and guidance

Section 1: Revenue and incentive reporting

Document Type: Regulatory instructions and guidance

Date of Publication: 26 April 2013

Target Audience: Offshore transmission owners (OFTOs), potential bidders for offshore transmission assets, consumers and consumer representatives and other interested parties

Overview:

These regulatory instructions and guidance (RIGs) are provided to OFTOs to enable them to complete the reporting templates that they are required to submit under their transmission licence. There are two sections to the RIGs, this being the first. It should be read in conjunction with the second section regarding cost reporting which is available alongside this document.

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Team: Offshore Transmission

Context

Ofgem, in collaboration with the Department of Energy and Climate Change (DECC), has established a new regulatory regime for offshore transmission networks to ensure that new offshore renewable generation projects are connected to the GB electricity grid economically and efficiently.

This regulatory regime has resulted in the creation of offshore transmission owners and will create more in the future. One of the licence obligations these licensees have is to submit cost, revenue and incentive reporting to the Gas and Electricity Markets Authority (the Authority). This document provides licensees with detailed instructions for what to report and offers guidance on how to complete the reporting templates.

Associated Documents

- Offshore transmission cost reporting regulatory instructions and guidance Section 2: Cost Reporting
- OFTO cost reporting pack
- OFTO revenue and incentive reporting pack

These are available from the Ofgem website <u>www.ofgem.gov.uk</u>.

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Executive summary

This document is the revenue reporting regulatory instructions and guidance established under Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting) of the offshore transmission licence. This document covers provision of information relating to revenues and incentive performance.

The information described in this document is required for a number of reasons:

1. Compliance assurance

This information allows Ofgem¹ to monitor effectively the revenue of the consolidated transmission business and to confirm that the revenues charged are in line with the tender revenue stream (TRS) as adjusted for incentives

2. Monitoring incentives

In order to ensure that the incentives are working as intended and that they are properly balanced we need to obtain and review reliable data about performance against incentives and the associated revenue impact

3. Licence compliance

Condition E12 – D1 (Offshore Regulatory Reporting) of the licence requires that this data to be collected and provided to Ofgem

The regulatory instructions and guidance (RIGs) provide a framework that enables offshore transmission owners (OFTOs) to collect the data and report it to Ofgem in a consistent format. The RIGs inform OFTOs about the information we plan to collect, guide them on how to provide this information and enable them to put the systems in place to collect the data to the detail we require.

These RIGs may be modified in accordance with the change control procedures detailed in Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting). For the avoidance of doubt licensees must not change the structure of the RIGs – this includes adding or removing rows or columns even if there is no data in them.

This document covers two separate reporting requirements under E12 – D1 (Offshore Regulatory Reporting):

1. Revenue Reporting

Covering the provision of audited and forecast revenue as stipulated by paragraph 7 of condition E12 – D1 (Offshore Regulatory Reporting). In essence this aims to provide Ofgem with the audit trail of all allowed revenue generated by the licensee in each relevant year; and

2. Incentives Reporting

Providing information on incentives schemes, specifically the availability incentive and the incremental capacity incentive (Amended Standard Condition E12 – J4 (Restriction of transmission revenue: Annual revenue adjustments)).

¹ Ofgem is the office of The Gas and Electricity Markets Authority ('the Authority'). The terms 'Ofgem' and the 'Authority' are used interchangeably in this document.

1. Introduction

1.1. Amended Standard Condition E12 – D1 establishes the revenue reporting regulatory instructions and guidance ("RIGs"). The RIGs are split into two sections: Section 1 is for revenue and incentive reporting, Section 2 is for cost reporting. This document is Section 1 and covers:

- i. Revenue reporting
- ii. Incentives reporting

1.2. The RIGs contain the specified information to be reported in the templates provided in Appendices 1-4. The specified information is identified in Chapter 2.

1.3. Chapter 3 covers reporting arrangements and the provision of revenue returns to the Authority with Chapter 4 providing details on completing the revenue templates.

1.4. For the avoidance of doubt this document is subordinate to the licence conditions. This document will not change, alter, or amend, any definition or obligation contained within the licence. In the event of any inconsistency between the licence conditions and this document the licence conditions will take precedence.

1.5. The revenue reporting RIGs may be modified, from time to time, in accordance with the change process set out in paragraphs 12 to 16 of Amended Standard Condition E12 – D1. Ofgem recognises that any significant changes to the scope or form of the information that it requests from the licensees could not only increase the regulatory burden upon licensees but may also increase the perception of regulatory risk. Ofgem will take all reasonable steps to minimise the number of changes to the scope and form of the information it requests in relation to this document, consistent with Ofgem carrying out its functions under the Electricity Act 1989.

1.6. If any of the guidance contained in this document is at any time not sufficiently clear to a licensee then that licensee should contact Ofgem for further guidance and to discuss potential changes to the reporting templates which may be required. In the first instance queries should be directed to:

Daniel Rock Senior Manager, Financial Analysis Offshore Transmission Ofgem E-Serve <u>daniel.rock@ofgem.gov.uk</u> and <u>offshore.reporting@ofgem.gov.uk</u>. 0207 901 1815

2. Specified information

2.1. The specified information for revenue reporting is as described below.

2.2. Specified Information for Transmission Owner activity means:

- 2.2.1. the term: 'Allowed Transmission Owner Revenue' and all subsequent terms used in its calculation as described by the Amended Standard Conditions E12 J1 to J4; and
- 2.2.2. Excluded Services information as defined in Amended Standard Licence Condition E12 – J10.

2.3. Allowed Transmission Owner Revenue (OFTO_t) defined as:

 $OFTO_t = BR_t + PT_t + PA_t - K_t$

where each of the terms is explained below including the cross references to the relevant clauses in the licence conditions where the detailed terms are defined.

2.4. Base Revenue Term BR_t : BR_t refers to base transmission revenue as defined in Amended Standard Condition E12 – J2:

 $BR_t = (TRS_t + MRA_t + PTRA_t) \times PR_t \times RIT_t$

with all subsequent terms defined in that condition.

2.5. **Pass Through Items (PT_t):** PT_t refers to Pass Through items and is defined in accordance with paragraph 2 of Amended Standard Condition E12 – J3. It is derived from the following formula:

 $PT_{t} = LF_{t} + RB_{t} + CEL_{t} + DC_{t} + IAT_{t} + TPD_{t} + TCA_{t} + MCA_{t}$

with all subsequent terms defined in that condition.

2.6. **Performance Availability (PA_t):** PA_t refers to incentive payments and is defined in accordance with Amended Standard Condition E12 – J4 paragraph 1. It is derived from the following formula:

 $PA_t = TSAI_t + TSAP_t + ICA_t$

with each subsequent term defined in that condition.

2.7. **Correction Factor (K_t):** K_t is the correction factor and defined in accordance with paragraph 4 of Amended Standard Condition E12 – J2. It is defined by the following formula:

$$K_t = (AR_{t-1} - OFTO_{t-1}) X [1 + (I_t + PI_t)/100]$$

With all subsequent terms defined in that paragraph.

- 2.8. The specified information for the incentive reporting is:
- 2.8.1. **Specified information relating to availability incentive:** Specified information for the availability incentive as defined in amended standard condition E12 J4 shall mean the following:
 - Reduction in capacity (MWhr)
 - Number of events impacting the incentive calculations
 - The other availability incentive inputs shown in the associated reporting templates

All outages need to be reported, even if an exclusion is being sought. If there have been no outages then this need not be stated and the input cells left blank.

- 2.8.2. **Specified information relating to incremental capacity incentive:** Specified information for the incremental capacity incentive, defined in amended standard condition E12 – J4, shall mean the following:
 - kW of additional capacity available
 - Additional capacity made available

For licences granted after 1st January 2012 the Composite Circuit Rating (CCR) is stated in kVA. The RIGs currently show CCR in terms of kW, consistent with licences granted prior to 1st January 2012. We plan to consult on updating the CCR term for the licences granted prior to 1st January 2012 but as it has not yet been consulted upon, it is not included in this update of the RIGs.

If any of the OFTOs with licence grant after 1st January 2012 have any incremental capacity then they should get in touch with:

Daniel Rock Senior Manager, Financial Analysis Offshore Transmission Ofgem E-Serve <u>daniel.rock@ofgem.gov.uk</u> and <u>offshore.reporting@ofgem.gov.uk</u> 0207 901 1815

3. Reporting arrangements

3.1. It is important that a clear set of arrangements are in place for reporting revenues accurately and on a consistent basis. This section details the procedures for reporting revenue.

Provision of an allowed revenue model

3.2. For the purposes of providing information to the Authority, Ofgem provides the allowed revenue model which covers the reporting of OFTO revenues. The model operates on the basis of a series of inputs fed into the spreadsheet, which in turn generate allowed revenue in the calculation pages based on the formulae given in the amended standard conditions E12 – J1 to E12 – J4.

3.3. The output pages extract data from the model to produce the revenue return reports. The input pages and revenue return reports are provided in Appendix A: Audited Revenue Returns and Appendix B: Forecast Revenue Returns. These reports represent templates referred to by paragraph 7 of Amended Standard Condition E12 – D1.

Audit requirements

3.4. Paragraph 8 of Amended Standard Condition E12 – D1 requires the information relating to paragraph 7 (a) to be accompanied by an auditor's report. Furthermore paragraph 9 of Amended Standard Condition E12 – D1 requires that the report from the auditors be accompanied by a letter detailing the procedures they have followed in reaching their reported opinion. Both documents are required to be provided to the Authority in hard copy in conjunction with an electronic copy of the revenue and incentive reporting pack.

3.5. Agreed upon procedures will be issued by Ofgem to specify the procedures auditors must follow in the production of their audit report.

3.6. For the purposes of paragraph 8 of Amended Standard Condition E12 – D1 the following sections of the Audited Revenue Return (as given in Appendix 1) should be audited:

- 1. Inputs
- 3a. Excluded and de minimis revenue
- 3b. Total revenue (including excluded services)
- 3c. Reconciliation between OFTO's total revenue and allowed revenue (OFTO_t)

Documents to submit

3.7. The below table sets out the revenue and incentive reporting requirements under condition E12 – D1. The references in the final column 'Documents to submit' are references to appendices to this document. Electronic copies of the worksheets shown in these appendices should be submitted. Blank copies of these worksheets are provided along with this document. Given that all the reporting is contained in the same Excel workbook we expect licensees will find it easier to submit the whole workbook to cover off all the reporting due on 31 July with separate reporting for 1 April. Reporting in this way is encouraged.

| Reporting | Return | Licence reference | Documents to submit |
|------------|----------------------|-------------------|---------------------|
| Devenue | Audited | E12 - D1 para. 7 | Appendix 1 |
| Revenue | Forecast | E12 - D1 para. 7 | Appendix 2 |
| Incontivos | Availability | E12 - D1 para. 7 | Appendix 3 |
| Incentives | Incremental capacity | E12 - D1 para. 7 | Appendix 4 |

3.8. In addition, in respect of condition E12 – D1 paragraph 7(a) (audited revenue reporting) the licensee must submit the following:

- A report from the licensee's auditor setting out the findings of their agreed upon procedures (this will constitute the 'auditor's report' referred to in the licence)
- A hard copy of the revenue return initialled by the licensee's auditors on each page to indicate that the version submitted is the same as the version on which the auditors prepared their work

Submission dates

3.9. Submission dates are as follows:

| Reporting | Return | Licence reference | Submission date |
|------------|----------------------|-------------------|-----------------|
| Devenue | Audited | E12 - D1 para. 7 | 31 July |
| Revenue | Forecast | E12 - D1 para. 7 | 1 April |
| Incontivos | Availability | E12 - D1 para. 7 | 31 July |
| Incentives | Incremental capacity | E12 - D1 para. 7 | 31 July |

3.10. Items due by 31 July are to cover the preceding regulatory year. For example, the audited revenue return for the year to 31 March 2013 should be submitted by 31 July 2013.

Submission process

3.11. The documents listed under point 3.7 above should all be emailed to <u>offshore.reporting@ofgem.gov.uk</u> and <u>daniel.rock@ofgem.gov.uk</u>. Hard copies should also be sent to:

Daniel Rock Senior Manager, Financial Analysis Offshore Transmission Ofgem E-Serve 9 Millbank London SW1P 3GE

4. Additional guidance for reporting on templates

Introduction

4.1. This section sets out guidance for the reporting of the specified information.

Information relating to Appendix 1 – Audited Revenue Return

4.2. **Input Pages** – This covers general inputs across the OFTO allowed revenues as well as information relating to pass through items, availability incentive and other specific terms.

For all other inputs the licensee should enter data into the yellow shaded areas.

For this section each term should be stated as follows:

For £m amounts to 3 decimal places

For percentages to 2 decimal places

For MW amounts to 1 decimal place

4.3. **Reports** - Tables 2a to 2f cover all the reports generated from the calculation sheets in the allowed model.

Tables 3a to 3c are additional disclosure requirements relating to excluded services / de minimis activities and reconciliation of turnover to the regulatory accounts.

Information relating to Appendix 2 – Forecast Revenue Return

4.4. The forecast return provides a high level summary of the allowed revenues of the associated Offshore Transmission Owner activities. In the issued version of the templates the input cells for the forecast year contain look-ups to extract the data from the calculations. If the licensee prefers they can enter their forecast directly into tab 7. For this section each term should be stated as follows:

For £m amounts to 3 decimal places

4.5. Note that the forecast return is due for submission on 1 April of each year. The forecast in question is the early impression of the results for the year just ended.

Information relating to Appendices 3 and 4 – Availability incentive reporting and incremental capacity incentive reporting

4.6. For these sections each term should be stated as follows:

For £m amounts to 3 decimal places

For percentages to 2 decimal places

For MW amounts to 1 decimal place

Information relating to appendix 3 in respect of seeking adjustments to the reported system incentive performance

4.7. The licence permits the licensee to seek from the Authority an adjustment to the calculation of the reported system availability incentive following an exceptional event. In order for an application for an adjustment to be considered the Authority must be notified within 14 days of the exceptional event in question. The licensee is also required to submit details of the reduction in system availability.

4.8. In the first instance the details of the reduction in system availability should be presented by means of a completed version of appendix 3 accompanied with such further information as the licensee feels is necessary. Note that the Authority may subsequently request further details of the reduction in availability.

4.9. Hence where a licensee is requesting an adjustment they should submit a completed version of appendix 3 within 14 days of the exceptional event. This reporting is in addition to the regular quarterly reporting and does not change the due dates for the quarterly reporting.

Appendices

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Appendix 1 – Audited revenue return

Please note that the data presented in these templates is illustrative only and does not refer to any actual OFTO.

Sign off

| 1 | OFFSHORE TR | ANSMISSION - REVENUE rep |
|--|---|--|
| n E-Serve | Project: Demo sands OFTO: [Offshore tr Year: 2012-13 | ; ansmission operator 1] |
| Sign off | | |
| Declaration | | |
| The below declaration is to be signed off by a director of the licensee. | | |
| Amended Standard Condition E12 - D1 of the Offshore Transmission Licence paragraph 3 i systems and processes as necessary to ensure that 'the information collected and report fairly presented' and prepared in accordance with the regulatory instructions and guidance and guidance with the regulatory instructions and guidance and guidance and prepared in accordance with the regulatory instructions and guidance and guidance and prepared in accordance with the regulatory instructions and guidance and guidance and prepared in accordance with the regulatory instructions and guidance and guidance and guidance and and prepared in accordance with the regulatory instructions and guidance and guidance and accordance with the regulatory instructions and guidance and guidance and accordance and accordance and accordance and guidance and accordance and accordance and accordance and accordance and accordance accordancordance accordance accordance accor | ed to the Authority is in all i | |
| I, [Name of director], confirm that [Offshore transmission operator 1] is compliant with Ar | mended Standard Condition | E12 - D1 of its licence |
| I also confirm that I am aware that section 59 of the Electricity Act 1989 provides that a of any provision of this Part [1] he makes any statement which he knows to be false in material particular. | | |
| | | |
| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possi corporate where it is committed with the 'consentof that person'. | sible for a director/officer to | be guilty of an offence committed by a body |
| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possi corporate where it is committed with the 'consentof that person'. Name: | ible for a director/officer to | be guilty of an offence committed by a body |
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| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possicorporate where it is committed with the 'consentof that person'. Name: Position: Date: Section 1. Inputs | [Name of director] Prepared by Name of preparer Name of preparer Name of preparer | Reviewed by Name of reviewer Name of reviewer Name of reviewer |
| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possicorporate where it is committed with the 'consentof that person'. Name: Postion: Date: Section J. Inputs Za. Components of allowed revenue Zb. Base revenue Zb. Base revenue Zb. Base through | [Name of director] Prepared by Name of preparer Name of preparer Name of preparer Name of preparer | Reviewed by Name of reviewer Name of reviewer Name of reviewer Name of reviewer |
| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possicorporate where it is committed with the 'consentof that person'. Name: Postion: Date: Section 1. Inputs 2. Components of allowed revenue 2. Pass through 2. Availability performance | [Name of director] Prepared by Name of preparer Name of preparer Name of preparer Name of preparer Name of preparer | Reviewed by Name of reviewer |
| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possic corporate where it is committed with the 'consentof that person'. Name: Position: Date: Section 1. Inputs 2a. Components of allowed revenue 2b. Base revenue 2c. Pass through 2d. Availability performance 2e. Correction factor | [Name of director] Prepared by Name of preparer Name of preparer Name of preparer Name of preparer Name of preparer Name of preparer Name of preparer | Reviewed by Name of reviewer |
| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possicorporate where it is committed with the 'consentof that person'. Name: Postion: Date: Section J. Inputs Za. Components of allowed revenue Zb. Base revenue Zb. Base revenue Zb. Base revenue Zb. Correction factor Zb. Correction factor Zb. Correction factor Zb. Summary of all components of allowed revenue | [Name of director] Prepared by Name of preparer Name of preparer | Reviewed by Name of reviewer |
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| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possicorporate where it is committed with the 'consentof that person'. Name: Postion: Date: Section J. Inputs Date: | [Name of director] Prepared by Name of preparer Name of preparer | Reviewed by Name of reviewer |
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| I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possicorporate where it is committed with the 'consentof that person'. Name: Position: Date: Section L. Inputs C. Pass through Zd. Availability performance 2e. Correction factor Zf. Summary of all components of allowed revenue 3a. Excluded and de minimis revenue 3b. Total revenue (ARt) 4a. Monthly performance incentive calculations 4b. Annual performance incentive calculations 5a. Planned outages 5b. Unplanned outages 5c. Outages the OFTO has requested be excuded from availability incentive calculation | [Name of director] Prepared by Name of preparer Name of preparer | Reviewed by Name of reviewer Name of reviewer |

Universal data

| ofgem | | OFFS | HORE TRANSMISSION | I - REVENUE reporting pack |
|--------------------|--|----------|------------------------------------|----------------------------|
| | | Project: | Demo sands | |
| of g em E-S | erve | OFTO: | [Offshore transmission operat | tor 1] |
| | | Year: | 2012-13 | |
| <u>Index</u> | | | | |
| | Universal data | | | |
| Prepared by: | | _ | | |
| Name of preparer | Company number: | | | |
| | Company name: | | [Offshore transmission operator 1] | |
| Reviewed by: | Company short name: | | OFT 01 | |
| Name of reviewer | | | Demo sands | |
| Reviewed | Reporting year: (enter 2011 for 2010/11) | | 2013 | |
| | Version (number): | | | |
| | Submitted date: | | | |
| | Date to which last statutory accounts were | | 31 December 2012 | |
| | made up: | | ST December 2012 | |
| | | | | |

Revenue and incentive RIGs

26 April 2013

1. Inputs

| | Project: | | | ISSION | | | oporem | 9 pack | | | | | | | | | | | | | | | |
|--|--|---|--|---|--|--|--|--|---|---|--|---|--|--------|-------|-------|-------|-------|--------|--------|--------|--------|-----|
| E-Serve | | | | ssion oper | rator 1] | | | | | | | | | | | | | | | | | | |
| L-Serve | | - 2012-13 | | | | | | | | | | | | | | | | | | | | | |
| | | 2012 15 | | | | | | | | | | | | | | | | | | | | | |
| 1. Inputs | | | | | | | | | | | | | | | | | | | | | | | |
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| parer | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 203 |
| : | | | | | | | | | | | | | | | | | | | | | | | |
| ewer Actual Revenue from NETSO (£m | | | | | | | | | | | | | | | | | | | | | | | |
| Retail Price Index Numbe Retail Price Inflation rate (% | | | | | | | | | | | | | | | | | | | | | | | |
| RPI _t = (Indext/Index t-1)-1 | / /012 | | | | | | | | | | | | | | | | | | | | | | |
| Licence Fee cost adj. term (£m | | | | | | | | | | | | | | | | | | | | | | | |
| Rates for networks Business cos adj, term (£m | | | | | | | | | | | | | | | | | | | | | | | |
| Crown Estate Licence cost adjtern | n | | | | | | | | | | | | | | | | | | | | | | |
| (£m Decommissioning Cost adj. terr | | | | | | | | | | | | | | | | | | | | | | | |
| (£m | | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Income Adjusting event adj. Terr | | | | | | | | | | | | | | | | | | | | | | | |
| £m) Marine and Coastal Act 2009 adj | | - | - | | | - | | - | - | - | - | - | | | - | - | | - | | | | | |
| term (£m | | | | | | | | | | | | | | | | | | | | | | | |
| Tender Cost Adj. term (£m Temporary Physical Disconnection | | | | | | | | | | | | | | | | | | | | | | | |
| term (£m | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Incremental Capacity Utilisation ferr | n | | | | | | | | | | | | | | | | | | | | | | |
| Incremental Capacity Utilisation term (kW | ICU t | | | | | | | | | | | | | | | | | | | | | | |
| |) <i>ICU</i> t | | | | | | | | | | | | | | | | | | | | | | |
| (kw Additional Capacity Adjustment terr (£m | D ICUE | 0.500(| 0.500(| 0.500/ | 0.500/ | 0.500 | 0.500(| 0.500/ | 0.500 | 0.500/ | 0.50% | | 0.500/ | 2.522(| | 0.500 | 0.50% | 2.52% | 0.500/ | 0.500/ | 0.500/ | 0.500/ | |
| Additional Capacity Adjustment terr | D ICUE | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.5 |
| Additional Capacity Adjustment terr Additional Capacity Adjustment terr (£m Average specified Interest rate (% Tender Revenue Stream term (£m |) ICU (n) ACA () It | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.5 |
| (low Additional Capacity Adjustment terr (Ém Average specified Interest rate (% Tender Revenue Stream term (Em real |) ICU ; n) ACA ;) It | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.5 |
| (kw Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real |) ICU:) ACA:) It , TRSt , MRAt | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.5 |
| (kw Additional Capacity Adjustment terr (fm Average specified Interest rate (% Tender Revenue Stream term (fm real Market Rate revenue Adj. term (fm real Post Tender Revenue Adj. term (fm |) ICU (n ACA () ACA () It) TRSt) MRAt | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | | 0.5 |
| (kw Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real |) ICU () ACA () It) TRSt) MRAt) PTRAt | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.5 |
| (kw Additional Capacity Adjustment terr (fm Average specified Interest rate (% Tender Revenue Stream term (fm real Market Rate revenue Adj. term (fm real Post Tender Revenue Adj. term (fm real Proportion of Revenue terr |) ICU : n ACA :) ICU : 1 CU : 1 C | - 0.90 | • | • | | - | - | - | - | - | | • | - | - | - | - | - | - | - | • | - | • | 0.5 |
| Car Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj, term (Em Post Tender Revenue Adj, term (Em Proportion of Revenue terr Defined terms from Annex A to Co | ICU: n ACA: X TRSt MRAt PTRAt PR Ondition E1: Licence | 0.90 2 - J4 | - 1.00 | - - 1.00 | - | - - 1.00 | - - 1.00 | 1.00 | - | - - 1.00 | - 1.00 | - - 1.00 | - - 1.00 | - | - | - | - | - | - | • | - | • | 0.5 |
| (kw Additional Capacity Adjustment terr (fm Average specified Interest rate (% Tender Revenue Stream term (fm real Market Rate revenue Adj. term (fm real Post Tender Revenue Adj. term (fm real Proportion of Revenue terr |) ICU t ACAt ACAt TRSt MRAt PTRAt PRt ILicence Condition | 0.90 2 - J4 1 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | | | | - | - | - | - | - | - | • | - | • | 0.1 |
| (bw Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real Post Tender Revenue Adj. term (Em real Proportion of Revenue terr Defined terms from Annex A to Co Month |) ICU t ACAt ACAt TRSt MRAt PTRAt PRt ILicence Condition | 0.90 2 - J4 1 | - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - 1.00 | - - - 1.00 10 2ctober N | - - 1.00 | | - | - | - | - | - | - | • | - | • | 0.5 |
| Control Contro | ICU: ACA: ACA: ACA: TRSt MRAt PTRAt PTRAt PRt Condition E12 Licence | 0.90 2 - J4 1 lanuary | - - 1.00 2 February 1 | - - 1.00 3 March A | - - - - 4 April N | - - - 5 1ay J | - - 1.00 6 June Ju | - - 1.00 7 4/y 4 | - - - 8 Mugust S | - - 1.00 9 eptember (0 | - - - 1.00 10 2ctober N | - - 1.00 | - - 1.00 12 ecember | - | - | - | - | - | - | • | - | • | 0.5 |
| Carl Capacity Adjustment terr Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em Market Rate revenue Adj. term (Em Post Tender Revenue Adj. term (Em Proportion of Revenue terr Defined terms from Annex A to Co Month | ICU: ACA: ACA: It: It: < | 0.90 2 - J4 1 January 120.00% 98.00% | - - 1.00 2 February 1 120.00% 98.00% | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.5 |
| Carl Capacity Adjustment terr Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real Proportion of Revenue terr Defined terms from Annex A to CC Month | ICU: ACA: ACA: ACA: ACA: ACA: TRSt MRAt MRAt PTRAt Ordition E1 Condition E12 - 14 E12 - 14 E12 - 14 Narra | 0.90 2 - J4 1 120.00% 98.00% tition E12 - Licence | - - - - - - - - - - - - - - - - - - - | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.5 |
| (bw Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real Post Tender Revenue Adj. term (Em real Proportion of Revenue terr Defined terms from Annex A to C Month TSII | ICU: ACA: ACA: ACA: TRSt ACA: MRAt PTRAt PR Ondition E1: E12 - 34 E12 - 34 ACA: ACA: | 2- 34 1 120.00% 98.00% tion E12 - Licence Condition | - - - February 120.00% 98.00% 98.00% 12 and E12 Value | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.9 |
| (ew Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real Post Tender Revenue Adj. term (Em real Proportion of Revenue ter Defined terms from Annex A to C Stream TSI Defined terms from amended sta Description CFTO Network Capacity (MW) Collar | ICU: ACA: n ACA: N ACA: N ACA: N TRSt N TRSt N MRAt N PR N PR N TRSt ICERCE Condition ICERCE ICERCE ICERCE | 0.90 2 - J4 1 120.00% 98.00% tition E12 - Licence | - - - - - - - - - - - - - - - - - - - | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.3 |
| (ew Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em Market Rate revenue Adj, term (Em Proportion of Revenue terr Defined terms from Annex A to Co Month TSIF Defined terms from Annex A to Co Month TSIF Transmission System Incentive | ICU: ACA: ACA: ACA: TRSE ACA: MRAE ACA: Condition ACA: Condition ACA: ACA: ACA: ACA: ACA: Inderd cond Name COL COL | 0.90 2 - J4 1 120.00% 98.00% tion E12 - Licence Condition E12 - J4 E12 - J4 | 1.00 2 February 1 120.00% 98.00% 12 and E12 Value 278.0 4.00% | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.3 |
| (ew Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real Post Tender Revenue Adj. term (Em real Proportion of Revenue ter Defined terms from Annex A to C Stream TSI Defined terms from amended sta Description CFTO Network Capacity (MW) Collar | ICU: ACA: ACA: It: MRAL MRAL MRAL MRAL PTRAL PRAL Condition EI Icience Condition EI Icience Condition EI Icience Icience Icience Icience Icience Icience Condition EI Icience COL TSIF | 0.90 2 - J4 1 120.00% 98.00% tion E12 - Licence Condition E12 - J4 | 1.00 2 February I 120.00% 98.00% 12 and E12 Value 278.0 4.00% 10.00% | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.9 |
| (ew Additional Capacity Adjustment terr (Em Average specified Interest rate (% Tender Revenue Stream term (Em real Market Rate revenue Adj. term (Em real Post Tender Revenue Adj. term (Em real Proportion of Revenue terr Defined terms from Annex A to C Month Strender Term Defined terms from amended sta Description OFTO Network Capacity (MW) Collar Transmission System Incentive Factor | ICU: ACA: ACA: It MRAL MRAL MRAL MRAL MRAL El: MRAL | 0.90 2-34 1 120.00% 98.00% Rtion E12 - Licence Condition E12 - 34 E12 - 34 E12 - 34 | | - - - - - - - - - - - - - - - - - - - | - - 1.00 4 April N 80.00% | - - 1.00 5 1ay J 80.00% | - - 1.00 6 June Ju 80.00% | - - 1.00 7 41y / 80.00% | - - 1.00 8 Nugust S 80.00% | - - 1.00 9 eptember [0 120.00% | - - 1.00 10 2ctober N 120.00% | - 1.00 11 ovember D 120.00% | - - 1.00 12 ecember 120.00% | - | - | - | - | - | - | • | - | • | 0.9 |

3a. Excluded and de minimis revenue



3b. Total revenue (including excluded services)

| of g em | OFFSHORE TRANSMISSIO | N - REVENUE reporti | ng pack |
|--|--|-------------------------------|---------|
| of ge m E-Serve | Project: Demo sands OFTO: [Offshore transmission opera Year: 2012-13 | itor 1] | |
| <u>Index</u> 3b. To Prepared by: | otal revenue (including excluded services) |) | |
| Name of preparer | | £m | £m |
| Reviewed by: | Actual revenue | | |
| Name of reviewer | Other revenue Items De-Minimis Turnover Excluded Services | - | - |
| | Reconciling Items (please list) | | |
| | 1 2 3 4 5 6 7 | | |
| | Tot | al | - |
| | Tur | nover as per Profit and Loss | |
| | Che | eck that reconciliation works | ✓ |
| | Commentary 1 1 2 3 4 5 6 7 | | |

3c. Reconciliation between OFTO's Regulated Revenue and Allowed Revenue $(\mathsf{AR}_{\mathsf{t}})$

| of ge m of ge m E-Serve | OFFSHORE TRANSMISSION - REVENUE reporting pack Project: Demo sands OFTO: [Offshore transmission operator 1] Year: 2012-13 | |
|--|--|--|
| Index 3c. Prepared by: Name of preparer Reviewed by: Name of reviewer | Teal: 2012-13 Reconciliation between OFTO's Regulated Revenue and Allowed Revenue (ARt) £m £m Actual Revenue from NETSO (£m) Other revenue Items De-Minimis Tumover Other reconciling items (including all other revenue from transmission services) (please list) | |
| | 1 3 4 5 6 7 Total | |
| | Commentary 1 2 3 4 5 6 7 | |

Revenue and incentive RIGs

26 April 2013

2a. Components of allowed revenue

| of ge m of ge m E-Se | erve | Project: OFTO: | Dem o sa | nds e transmis | | N - REV | ENUE | reportii | ng pacl | ¢ | | | | | | | | | | | | | | |
|---------------------------------------|---|-------------------|----------|-------------------|------|---------|------|----------|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Index | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2a. Components of a | llowed | revenue | | | | | | | | | | | | | | | | | | | | | |
| Prepared by: Name of preparer | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| _ | Base Revenue transmission | | | | | | | | | | | | | | | | | | | | | | | |
| Reviewed by: | Ease Revenue transmission (£m) | BR, | - | - | | | _ | | | _ | | | | | | | | | _ | | | - | | |
| Name of reviewer | Pass Through term (£m) | | | | | | | | | | | | | | | | | | | | | | | |
| | Performance Adjustment term (£m) | | | | - | | | | | | | - | - | - | - | - | - | - | | - | - | - | - | - |
| - | Correction term factor for revenue year to year (£m) | | | | _ | | | | | _ | _ | | | | - | - | - | - | - | | - | _ | | |
| 1 | Tevende year to year (EIII) | N _t | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| - | Offshore Transmission Owner allowed revenue (£m) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | $OFTO_t = BR_t + PT_t + PA_t - K_t$ | | | | | | | | | | | | | | | | | | | | | | | |
| - | Actual Revenue received from NETSO (£m) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | Over/(Under) Recovery (£m) | | | - | - | | | - | - | | - | | | | | | | | | | - | - | | |

Revenue and incentive RIGs

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2b. Base revenue

| of ge m of ge m E-S | ierve | OFFSHORE TRANSMISSION - REVENUE reporting pack Project: Demo sands OFTO: [Offshore transmission operator 1] Year: 2012-13 | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| <u>Index</u> | 2b. Base revenue | | | | | | | | | | | | | | | | | | | | | | | |
| Prepared by: Name of preparer | 1 | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| Reviewed by: | Base Revenue term (£m) | BR; | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Name of reviewer | BR = (TRSt + MRAt + PTRAt) > | PREXRITE | | | | | | | | | | | | | | | | | | | | | | |
| Reviewed | Tender Revenue Stream term (£m, real) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Market Rate Revenue adj. term (£m, real) | MRAt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Post Tender Revenue adj. term (£m, real) | PTRAt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Proportion of Revenue term Retail Inflation term | | 0.900 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.100 | |
| | $RIT_{t} = (1 + RPI_{t}) \times RIT_{t-1}$ | | | | | | | | | | | | | | | | | | | | | | | |
| | Retail Price Inflation rate (%) | RPI | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |

Revenue and incentive RIGs

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2c. Pass Through

| f g em E-Se | erve d | OFTO: | Demo sar [Offshore 2012-13 | | sion opera | itor 1] | | | | | | | | | | | | | | | | | | |
|--------------------|---|----------------|----------------------------------|-------------|------------|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| ared by: | 2c. Pass through | | | | | | | | | | | | | | | | | | | | | | | |
| ne of preparer | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| iewed by: | Restriction of transmission - Pass Through term (£m) | PTt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e of reviewer | $PT_{t} = LF_{t} + RB_{t} + CEL_{t} -$ | $+DC_{t} + IA$ | ATt + MCAt - | + TCAt + TP | Dt | | | | | | | | | | | | | | | | | | | |
| eviewed | Licence Fee cost adj. term (£m) Rates for networks Business cost adj. term | LFt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | (£m) Crown Estate Licence | RBt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | cost adj term (£m) Decommissioning Cost | CELt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | adj. term (£m) Income Adjusting | DCt IAT t | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | event adj. Term (£m) Marine and Coastal Act 2009 adj. term (£m) | TAL | - | | | | | | | - | - | | | - | | - | - | - | - | - | - | - | - | |
| | Tender Cost Adj. term | MCAt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | (£m) Temporary Physical Disconnection term | TCAt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | (£m) | TPDt | - | - | | - | - | - | | | | | - | | | | | - | - | | | | | |

Revenue and incentive RIGs

26 April 2013

2d. Availability performance

| n m E-Si | erve | Project: | HORE T Demo sar [Offshore 2012-13 | nds | | | 'ENUE r | eportir | ıg pack | | | | | | | | | | | | | | | |
|-----------------------|--|-------------------|--|------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|-------|
| by: reparer by: | 2d. Availability perform | ance | 2011 Jul-Mar | 2012 Apr-Mar | 2013 Apr-Mar | 2014 Apr- Mar | 2015 Apr-Mar | 2016 Apr-Mar | 2017 Apr-Mar | 2018 Apr-Mar | 2019 Apr-Mar | 2020 Apr-Mar | 2021 Apr-Mar | 2022 Apr-Mar | 2023 Apr-Mar | 2024 Apr-Mar | 2025 Apr-Mar | 2026 Apr-Mar | 2027 Apr- Mar | 2028 Apr-Mar | 2029 Apr-Mar | 2030 Apr-Mar | 2031 Apr-Jun | 2032 |
| eviewer | Performance Adjustment term (£m) | PA | t - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | PAt = TSAIt + TSAPt + ICAt Transmission System Availability Incentive (£m) TSAIt = ((BRt-1/PRt-1) × PRt-6 × T | TSAI | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Base Revenue transmission (£m) Proportion of Revenue | BR | - | - 1.000 | - | - | - | - 1.000 | - | - | - | - 1.000 | - | - | - 1.000 | - | - 1.000 | - | - | - | - 1.000 | - | - 0.100 | - |
| ļ | Proportion of Revenue (t-6) BR _t =(TRSt + MRAt + PTRAt) × PR | PRt-6 | | - | - | - | - | - | 0.900 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| | Months | | JUI -DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-JUN | |
| - | Transmission System Availability Failure (%) | TSAFy | | 0.00% | | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | 0.00% | | 0.00% | 0.00% | 0.00% | | | |
| i | Transmission System Availability Oredit (%) | TSAC _y | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | |
| | Transmission System Availability Payment (£m) TSAP=Sumif(range=y, criteria=22 | TSAP | | RD21/DD21) | YTSACV YPDI | -5) | | | | | | | | | | | | | | | | | | - |
| - | Incremental capacity incentive | 10 20, 50 | (Interaction (| brazy mazy, | Aroney Are | 57 | | | | | | | | | | | | | | | | | | |
| į | adj. term (£m) ICAt = ICUAt + (ACAt * RITt) | ICA | t - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| I | Capacity utilisation adjustment term (£m) ICUAIt = MAX(0, ICRDt x ICUt) | ICUA | | | - | - | | - | - | - | - | | - | - | - | | - | - | | - | - | - | | |
| | Incremental capacity utilisation driver (£/MW) | ICRD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | <u>ICRDt = BRt / CCRt x RCFt</u> Risk Compensation Factor Composit Circuit Rating (MW) | RCF CCR | | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | |
| | Incremental Capacity Utilisation term (MW) Additional Capacity Adjustment | ICU _t | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Additional Capacity Adjustment term (£m) | ACA | | | | | | | | | | | | | | | | | | | | | | |

Revenue and incentive RIGs

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2e. Correction factor

| of ge m Df ge m E-S | ion (o | Project: | IORE TH Demosan [Offshore | ds | | | | sportin | g pack | | | | | | | | | | | | | | | |
|--------------------------------------|--|----------|---------------------------------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|---------|--------|---------|---------|--------|--------|--------|---------|-------|------|
| | | Year: | 2012-13 | | | | | | | | | | | | | | | | | | | | | |
| <u>dex</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2e. Correction fa | actor | | | | | | | | | | | | | | | | | | | | | | |
| pared by: | _ | | | | | | | | | | | | | | | | | | | | | | | |
| me of preparer | | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| ewed by: | Correction term (£m) | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| ne of reviewer | $K_t = (AR_{t-1} - OFTO_{t-1})$ | | $+ PI_t) / 100$ |) | | | | | | | | | | | | | | | | | | | | |
| eviewed | Regulated transmission revenue (£m) | | | | | | | | | | | | | | | | | | | | | | | |
| | | ARt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| | Allowed transmission owner revenue (£m) | | - | - | | | _ | - | _ | - | | | | | | | | - | | | | | | |
| | Interest rate (%) | | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | |
| | IF ARt>1.04x0FT0t | | 0.50 % | 0.5070 | 0.5070 | 0.5070 | 0.0070 | 0.0070 | 0.0070 | 0.0070 | 0.5070 | 0.5070 | 0.50 % | 0.50 % | 0.50 /0 | 0.50 % | 0.50 /0 | 0.50 /0 | 0.50 % | 0.50 % | 0.5070 | 0.50 /0 | 0.50% | |
| | then apply Penalty | | | | | | | | | | | | | | | | | | | | | | | |
| | Interest | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | |
| | Penalty Interest rate | | | | | | | | | | | | | | | | | | | | | | | |
| | (%) | PI+ | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | |

Appendix 2 - Forecast revenue return

7. Summary of forecast allowed revenue

| a E-Serve | OFTO: | Demo sano [Offshore 2012-13 | | sion operator 1 | .1 | | | |
|-----------|--|-----------------------------------|--------|-----------------|---|-------------------|-----------|---------|
| 7. Su | mmary of forecast allowed revenue | | Actual | Forecast | | | Actual | Foreca |
| | | | 2012 | 2013 | | | 2012 | 2013 |
| viewer | Allowed Offshore Transmission Owner Revenue term (£m) | OFTOt | - | - | Performance Adj. (£m) PAt = TSAIt + TSAPt + ICAt | PAt | - | 0.00 |
| | $OFTO_t = BR_t + PT_t + PA_t - K_t$ | | | | Transmission system availability incentive (£m) | TSAIt | - | - |
| | Base Revenue term (£m) | BRt | - | - | $TSAIt = BRt \times (TSACt - TSAFt)$ | | | |
| | $BR_t = (TRS + PTRA) \times PR_t \times RIT_t$ | | | | Transmission System Availability Failure (%) | TSAFy | 0.00% | 0.00 |
| | Tender Revenue Stream term (£m, real) | TRS | - | - | Transmission System Availability Credit (%) | TSAC _Y | 0.00% | 0.00 |
| | Market Rate Adj. term (£m, real) | MRA | - | - | | | | |
| | Post Tender Revenue Adj. term (£m, real) | PTRA | - | - | Transmission System Availability Payment (£m) | TSAPt | - | - |
| | Proportion of Revenue term | PRt | 1.000 | 1.000 | TSAP=Sumif(range=y, criteria=22 to 26, sum function | on=(BR21/PR | 21)xTSACy | xPRt-5) |
| | Retail Inflation Term | RITt | 1.000 | 1.000 | Incremental Capacity incentive Adj. term (£m) | ICAt | - | - |
| | $RIT_t = (1 + RPI_t) \times RIT_{t-1}$ | | | | ICAt = ICUAt - ACAt | | | |
| | Retail Price Inflation rate (%) | RPI t | 0.00% | 0.00% | Incremental Capacity Utilisation Adjustment term (£m) | ICUAt | - | - |
| | | | | | ICUAIt = MAX(0, ICRDt x (RITt x ICUt) | | | |
| | Pass Through term (£m) | PTt | - | - | Incremental Capacity Revenue utilisation Driver (£/MW) | ICRD _t | - | - |
| | $PT_t = LF_t + RB_t + CEL_t + DC_t + IATt + MCAt + TCAt + T$ | | | | ICRDt = RCF x BRt /CCR | | | |
| | Licence Fee cost adj. term (£m) | LFt | - | - | Risk Compensation Factor | RCF | 0.31 | 0.3 |
| | Rates for networks Business cost adj. term (£m) | RBt | - | - | Composite Circuit Rating | CCR | 200.00 | 200.0 |
| | Crown Estate Licence cost adj term (£m) | CELt | - | · · | Incremental Capacity Utilisation term (MW) | ICU _t | - | |
| | Decommissioning Cost adj. term (£m) | DC | - | r - | Additional Capacity Adjustment term (£m) | ACA _t | - | - |
| | Income Adjusting event adj. Term (£m) | IATt | - | | Correction factor on year to year revenue | | | |
| | Marine and Coastal Act 2009 adj. term (£m) | MCAt | - | - | (£m) | Kt | - | - |
| | Tender Cost Adj. term (£m) | TCAt | - | - | $K_t = (AR_{t-1} - OFTO_{t-1}) \times (1 + (I_t + (PI_t \times APt) / 10))$ |) (0(| | |
| | Temporary Physical Disconnection term (£m) | TPDt | - | - | Regulated transmission revenue (£m) | ARt | - | - |
| | | | | | Allowed transmission owner revenue (£m) | OFTOt | - | - |
| | | | | | Interest rate (%) | It | 0.50% | 0.50 |
| | | | | | IF ARt>1.04xOFTOt then apply Penalty Interest | APt | - | - |
| | | | | | Penalty Interest rate (%) | PIt | 4.00% | 4.00 |

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Appendix 3 - Availability incentive reporting

5a. Planned outages

| ofgem | | | OFFSHO Project: | | TRANSMI | SSION - REVE | NUE reporting p | back | |
|----------------------------------|--------------|--------------------------------|----------------------------|---|--|--|-----------------------------------|----------------------|---------------------------------------|
| of g em E-S | er | ve | OFTO: Year: | | | smission operator | 1] | | |
| Index Prepared by: | 5a | . Planned out | tages | | | | | | |
| Name of preparer | | Date & time outage starts 🖵 | Date & Time outage ends | • | Total reduction in capacity (MWhr) | Cable availability (as % of maximum) | Equipment on which fault occurred | Exclusion Request | Exclusion Approved by Authority |
| | 1 | | | | | n/a | | | |
| Reviewed by: Name of reviewer | 2 | | | | | n/a | | | |
| | ک | | | | | n/a n/a | | | |
| Reviewed | 5 | | | | | n/a | | | |
| | 6 | | | | | n/a | | | |
| | 7 | | | | | n/a | | | |
| | 8 | | | | | n/a | | | |
| | 9 | | | | | n/a | | | |
| | 10 | | | | | n/a | | | |
| | 11 | | | | | n/a | | | |
| | 12 | | | | | n/a | | | |
| | 13 | | | | | n/a | | | |
| | 14 | | | | | n/a | | | |
| | 15 | | | | | n/a | | | |
| | 16 | | | | | n/a | | | |
| | 17 | | | | | n/a | | | |
| | 18 | | | | | n/a | | | |
| | 19 | | | | | n/a | | | |
| | 20 21 | | | | | n/a n/a | | | |
| | 21 | | | | | n/a n/a | | | |
| | 22 | | | | | n/a | | | |
| | 23 | | | | | n/a | | | |
| | - 24 | | | | | n/a | | | |

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5b. Unplanned outages

| ofgem | OFFSHO | RE TRANSMISSION - REVENUE reporting pack |
|------------------------|----------|--|
| | Project: | Demo sands |
| of ge m E-Serve | OFTO: | [Offshore transmission operator 1] |
| | Year: | 2012-13 |
| Index | | |

5b. Unplanned outages

| Prepared by: Name of preparer | Date & time of outage starts | Date & Time outage ends | Total reduction in capacity (MWhr) | Cable availability (as % of maximum) | Equipment on which fault occurred | Exclusion Request | Description of Fault | Exclusion Approved by Authority |
|----------------------------------|---------------------------------|----------------------------|--|--|--------------------------------------|----------------------|----------------------|---------------------------------------|
| | 1 | | | n/a | | | | |
| Reviewed by: | 2 | | | n/a | | | | |
| Name of reviewer | 3 | | | n/a | | | | |
| Reviewed | 4 | | | n/a | | | | |
| - | 5 | | | n/a | | | | |
| | 6 | | | n/a | | | | |
| | 7 | | | n/a | | | | |
| | 8 | | | n/a | | | | |
| | 9 | | | n/a | | | | |
| | 10 | | | n/a | | | | |
| | 11 12 13 | | | n/a | | | | |
| | 12 | | | n/a | | | | |
| | 13 | | | n/a | | | | |
| | 14 15 | | | n/a | | | | |
| | 15 | | | n/a | | | | |
| | 16 | | | n/a | | | | |
| | 17 | | | n/a | | | | |
| | 18 | | | n/a | | | | |
| | 19 | | | n/a | | | | |
| | 20 | | | n/a | | | | |
| | 20 21 22 23 24 | | | n/a | | | | |
| | 22 | | | n/a | | | | |
| | 23 | | | n/a | | | | |
| | 24 | | | n/a | | | | |

5c. Outages the OFTO has requested be excluded from availability incentive calculation

| ofgem | OFFSHO | RE TRANSMISSION - REVENUE reporting pack |
|---------------------------|----------|--|
| | Project: | Demo sands |
| (of ge m E-Serve) | OFTO: | [Offshore transmission operator 1] |
| | Year: | 2012-13 |
| Index | | |

5c. Outages the OFTO has requested be exlcuded from availability incentive calculation

Prepared by:

| Name of preparer | | Date & Time outage ends | in capacity 📃 | Cable availability (as % of maximum) | Outage Type (Planned/ Unplanned) | Equipment on which fault occurred | Exclusion Request | Description of Fault | Exclusion Approved by Authority |
|------------------|----|----------------------------|---------------|--|--|-----------------------------------|----------------------|----------------------|---------------------------------------|
| | 1 | | | n/a | | | | | |
| Reviewed by: | 2 | | | n/a | | | | | |
| Name of reviewer | 3 | | | n/a | | | | | |
| Reviewed | 4 | | | n/a | | | | | |
| | 5 | | | n/a | | | | | |
| | 6 | | | n/a | | | | | |
| | 7 | | | n/a | | | | | |
| | 8 | | | n/a | | | | | |
| | 9 | | | n/a | | | | | |
| | 10 | | | n/a | | | | | |
| | 11 | | | n/a | | | | | |
| | 12 | | | n/a | | | | | |
| | 13 | | | n/a | | | | | |
| | 14 | | | n/a | | | | | |
| | 15 | | | n/a | | | | | |
| | 16 | | | n/a | | | | | |
| | 17 | | | n/a | | | | | |
| | 18 | | | n/a | | | | | |
| | 19 | | | n/a | | | | | |
| | 20 | | | n/a | | | | | |
| | 21 | | | n/a | | | | | |
| | 22 | | | n/a | | | | | |
| | 23 | | | n/a | | | | | |
| | 24 | | | n/a | | | | | |

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4a. Monthly performance incentive calculations

| ofgem | | ORE TRANSMISSION - REVENUE reporting pack Demo sands |
|---------------|-------|--|
| ofgem E-Serve | OFTO: | [Offshore transmission operator 1] |
| | Year: | 2012-13 |

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4a. Monthly performance incentive calculations

Prepared by:

| Name of preparer | Year (y) (Incentive year) | Month | Maximum operational days in month | maintenance | Unplanned Outage (MWhrs) | Reported System Incentive Performance (MWhr) | Transmission System Incentive Rate | Transmission System Incentive Target | Maximum Transmission System Availability (MWhr) | Monthly Value of TSICOL | Adjusted Performance Availability Permits Earned | Availability Penalties Earned | Availability Credits Earned |
|------------------|---------------------------------|-------|--|-------------|--------------------------------|---|---|---|--|-------------------------------|---|-------------------------------------|-----------------------------------|
| | • | | | | | RSIP | TSIR | TSIT | MTSA | MVCOL | APAPE | APE | ACE |
| | 2 | 1 | 31 | | | 206,832 | 120.0% | 98.0% | 206,832 | 8,273 | 4,964 | - | 4,964 |
| Reviewed by: | 2 | 2 | 28.25 | | | 188,484 | 120.0% | 98.0% | 188,484 | 7,539 | 4,524 | - | 4,524 |
| Name of reviewer | 2 | 3 | 31 | | | 206,832 | 80.0% | 98.0% | 206,832 | 8,273 | 3,309 | - | 3,309 |
| Reviewed | 2 | 4 | 30 | | | 200,160 | 80.0% | 98.0% | 200,160 | 8,006 | 3,203 | - | 3,203 |
| | 2 | 5 | 31 | | | 206,832 | 80.0% | 98.0% | 206,832 | 8,273 | 3,309 | - | 3,309 |
| | 2 | 6 | 30 | | | 200,160 | 80.0% | 98.0% | 200,160 | 8,006 | 3,203 | - | 3,203 |
| | 2 | 7 | 31 | | | 206,832 | 80.0% | 98.0% | 206,832 | 8,273 | 3,309 | - | 3,309 |
| | 2 | 8 | 31 | | | 206,832 | 80.0% | 98.0% | 206,832 | 8,273 | 3,309 | - | 3,309 |
| | 2 | 9 | 30 | | | 200,160 | 120.0% | 98.0% | | 8,006 | 4,804 | - | 4,804 |
| | 2 | 10 | 31 | | | 206,832 | 120.0% | 98.0% | | 8,273 | 4,964 | - | 4,964 |
| | 2 | 11 | 30 | | | 200,160 | 120.0% | | | 8,006 | 4,804 | - | 4,804 |
| | 2 | 12 | 31 | | | 206,832 | 120.0% | 98.0% | 206,832 | 8,273 | 4,964 | - | 4,964 |
| | 3 | 1 | 31 | | | 206,832 | 120.0% | 98.0% | 206,832 | 8,273 | 4,964 | - | 4,964 |
| | 3 | 2 | 28.25 | | | 188,484 | 120.0% | 98.0% | 188,484 | 7,539 | 4,524 | - | 4,524 |
| | 3 | 3 | 31 | | | 206,832 | 80.0% | 98.0% | | 8,273 | 3,309 | - | 3,309 |
| | 3 | 4 | 30 | | | 200,160 | 80.0% | 98.0% | 200,160 | 8,006 | 3,203 | - | 3,203 |
| | 3 | 5 | 31 | | | 206,832 | 80.0% | 98.0% | 206,832 | 8,273 | 3,309 | - | 3,309 |
| | 3 | 6 | 30 | | | 200,160 | 80.0% | 98.0% | 200,160 | 8,006 | 3,203 | - | 3,203 |
| | 3 | 7 | 31 | | | 206,832 | 80.0% | 98.0% | 206,832 | 8,273 | 3,309 | - | 3,309 |
| | 3 | 8 | 31 | | | 206,832 | 80.0% | 98.0% | | 8,273 | 3,309 | - | 3,309 |
| | 3 | 9 | 30 | | | 200,160 | 120.0% | 98.0% | 200,160 | 8,006 | 4,804 | - | 4,804 |
| | 3 | 10 | 31 | | | 206,832 | 120.0% | 98.0% | · · · · · | 8,273 | 4,964 | - | 4,964 |
| | 3 | 11 | 30 | | | 200,160 | 120.0% | 98.0% | 200,160 | 8,006 | 4,804 | - | 4,804 |
| | 3 | 12 | 31 | | | 206,832 | 120.0% | 98.0% | 206,832 | 8,273 | 4,964 | - | 4,964 |

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4b. Annual performance incentive calculations

| of ge m | | | OFFSHORE Project: | TRANSMISS | ION - REV | ENUE repo | orting pack | | | | | |
|-----------------|-------|-----------------------------------|---|---|--|--|------------------------------|---|--|--|-------|--|
| ofgem E-Se | erve | | OFTO: | [Offshore transm | nission operat | tor 1] | | | | | | |
| | | | Year: | 2012-13 | | | | | | | | |
| ndex | | | | | | | | | | | | |
| | 4b. A | nnual perf | formance incen | tive calculation | IS | | | | | | | |
| repared by: | | | | | | | | | | | | |
| ame of preparer | Year | Annual Value of TSICOL | Transmission System Performance Penalty | Transmission System Performance Credit | Total Performance Availability Permits Earned | 5 Year Penalty Balance | 5 Year Penalty Limit | 5 Year Credit Mechanism | Performance Penalty Revenue Offset | Transmission System Availability Penalty Factor | | Transmission System Availability Credit Factor |
| | | AVCOLy | TSPPy | TSPCy | TPAPEy | 5YPBy | 5YPLy | 5YCMy | PPROy | TSAFy | PAPCy | TSACy |
| eviewed by: | | SUMIF(MVOL yt, i=1 to i=12) | SUMIF(APEy,i=1 to i=12) | SUMIF(ACEy,i=1 to i=12) | TPAPEy-1 + TSPPy + TSPCy - SYPLy - PPROy-1 - PAPCy-1 | 5YPBy-1 + TSPPy 5 + TSPCy-1 - PPROy-1 - 5YPLy 1 - PAPCy-1 | 5+AVCOLy- 5)<0,(5YPBy<0), | SYCMy-1 + TSPCy 5 + TSPPy + PPROy-1 - SYPLy- 1 - PAPCy-1 | PAPEy <- AVCOLy,- | | | PAPCy / AVCOLy-5 x TSIF |
| ame of reviewer | -3 | | | | | | | | | | | |
| Reviewed | -2 | | | | | | | | | | | |
| | -1 | | | | | | | | | | | |
| | 1 | ^ | | | | | | | | | | |
| | 2 | 97,478 | - | 48,666 | 48,666 | - | | - | - | 0.0% | - | |
| | 3 | 97,478 | - | 48,666 | 97,331 | 48,666 | | - | - | 0.0% | | |
| | 4 | 97,478 | - | 48,666 | 145,997 | 97,331 | | - | - | 0.0% | | |
| | 5 | 97,478 | - | 48,666 | 194,662 | 145,997 | | - | - | 0.0% | | |
| | 6 | 97,478 | - | 48,666 | 243,328 | 194,662 | | - | - | 0.0% | | 5.000 |
| | / | 97,478 97,478 | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% 5.0% |
| | c . | 97,478 | _ | 48,666 48,666 | 291,993 291,993 | 243,328 243,328 | | 48,666 48,666 | | 0.0% | | 5.0% |
| | 10 | | | 48,666 | 291,993 | 243,328 | | 48,666 | | 0.0% | | 5.0% |
| | 11 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 12 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 13 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 14 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 15 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 16 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 17 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 18 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 19 | | - | 48,666 | 291,993 | 243,328 | - | 48,666 | - | 0.0% | | 5.0% |
| | 20 | | - | 48,666 48,666 | 291,993 291,993 | 243,328 243,328 | - | 48,666 48,666 | - | 0.0% | | 5.0% 5.0% |
| | 21 | | | | | | | | | | | |

Revenue and incentive RIGs

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2d. Availability performance

| n m E-S | erve | Project: | HORE T Demo sar [Offshore 2012-13 | nds | | | ENUE | eportir | ng pack | [| | | | | | | | | | | | | | |
|----------------|---|-------------------|--|---------------|---------------|---------------|---------------|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------|
| by: reparer | 2d. Availability perform | ance | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| by: | | | Jul-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Jun | |
| eviewer | Performance Adjustment term (£m) | PA | | - | - | - | - | | - | | - | - | - | - | | - | | - | - | | - | - | | - |
| İ | PAt = TSAIt + TSAPt + ICAt Transmission System Availability Incentive (£m) | TSAI | | | | | | _ | | _ | _ | _ | | | | | | | | _ | | | | |
| | TSAIt = ((BRt-1/PRt-1) x PRt-6 x T Base Revenue transmission (£m) | 5ACy) - (| BRt-1 x T SAF | it) | | | | | | | | | | | | | | | | | | | | |
| | Proportion of Revenue Proportion of Revenue (t-6) | BR PR PR-6 | 0.900 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | - 1.000 0.900 | - 1.000 1.000 | - 0.100 1.000 | - 1.000 |
| į | $BR_{t} = (TRSt + MRAt + PTRAt) \times PR_{t}$ | X RIT t | | | | | | | | | | | | | | | | | | | | | | |
| | Months Transmission System Availability | | JUL-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-JUN | |
| | Failure (%) Transmission System Availability | TSAF, | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| I | Credit (%) | TSAC _y | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | 4.99% | |
| i | Transmission System Availability Payment (£m) TSAP=Sumif(range=y, criteria=22 | TSAP | | BR21/PR21) | xTSACy xPRt | -5) | | | | | | | | | | | | | | | | | | - |
| | Incremental capacity incentive | | | | | | | | | | | | | | | | | | | | | | | |
| j | adj. term (£m) ICAt = ICUAt + (ACAt * RITt) Capacity utilisation adjustment | ICA | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - |
| I | ICUAIt = MAX(0, ICRDt x ICUt) | ICUA | - | | | - | | | | | | | | - | - | - | - | - | | | - | - | - | |
| | Incremental capacity utilisation driver (£/MW) ICRDt = BRt / CCRt x RCFt | ICRD | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | ICRDE = BRE / CCRE X RCFE Risk Compensation Factor Composit Circuit Rating (MW) | RCF CCR | | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | 0.31 200.0 | |
| | Incremental Capacity Utilisation term (MW) | ICUt | _ | - | _ | - | | | - | - | _ | - | - | - | | - | - | - | - | | - | - | - | |
| | Additional Capacity Adjustment | | | | | | | | | | | | | | | | | | | | | | | |

Appendix 4 - Incremental capacity incentive reporting

1. Inputs

| | | Project: Demo sands OFTO: [Offshore transmission operator 1] | | | | | | | | | | | | | | | | | | | | | |
|---|-----------|---|------------|-----------------|-------|------------|-------------|------------------|--------------------|------------------------|----------------------|-----------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| E-Serve | OFTO: | | | | | | | | | | | | | | | | | | | | | | |
| | Year: | 2012-13 | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Inputs | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| arer | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 203 |
| | | | | | | | | | | | | | | | | | | | | | | | |
| wer Actual Revenue from NETSO (£m Retail Price Index Numbe | | | | | | | | | | | | | | | | | | | | | | | |
| Retail Price Inflation rate (% | | | | | | | | | | | | | | | | | | | | | | | |
| RPI: = (Indext/Index t-1)-1 | | | | | | | | | | | | | | | | | | | | | | | |
| Licence Fee cost adj. term (£m Rates for networks Business cos | | | | | | | | | | | | | | | | | | | | | | | |
| adj. term (£rr | | | | | | | | | | | | | | | | | | | | | | | |
| Crown Estate Licence cost adj terr | | | | | | | | | | | | | | | | | | | | | | | |
| (£m Decommissioning Cost adj. tem | | | | | | | | | | | | | | | | | | | | | | | |
| (Em |) DG | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Income Adjusting event adj. Terr (£m | | | | | | | | | | | - | | | - | | | | - | | | - | | |
| Marine and Coastal Act 2009 ad | | | | | | | | | | | | | | | | | | | | | | | |
| term (£m Tender Cost Adj. term (£m | | | | | | | | | | | | | | | | | | | | | | | |
| Temporary Physical Disconnectio | n | | | | | | | | | | | | | | | | | | | | | | |
| term (£rr |) TPD | | | | | | | | | | | | | | | | | | | | | | |
| Incremental Capacity Utilisation terr | n | | | | | | | | | | | | | | | | | | | | | | |
| (lan | | | | | | | | | | | | | | | | | | | | | | | |
| Additional Capacity Adjustment terr (£m | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| Average specified Interest rate (% |) 1 | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% | 0. |
| Tender Revenue Stream term (£r | | | | | | | | | | | | | | | | | | | | | | | |
| rea Market Rate revenue Adj. term (£rr | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| rea |) MRAt | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Post Tender Revenue Adj. term (£m rea |) PTRAt | | | | | | | | | | | | | | | | | | | | | - | |
| Proportion of Revenue terr | | | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.10 | |
| Defined terms from Annex A to C | las e | | | | | | | | | | | | | | | | | | | | | | |
| | Linense | 12-34 | 2 | 3 | 4 | | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | | | | | | | | |
| Month | Condition | 1 | | | | 5 | | | | | | | | | | | | | | | | | |
| TSI | E12 - J4 | | | March 80.00% | | May 20.00% | June 20.00% | 0uly / 80.00% | August : 80.00% | September 0 120.00% | October / 120.00% | lovember D 120.00% | 120.00% | | | | | | | | | | |
| | E12 - J4 | | 98.00% | 98.00% | | 98.00% | 98.00% | 98.00% | 98.00% | 98.00% | 98.00% | 98.00% | 98.00% | | | | | | | | | | |
| Defined terms from amended sta | ndami con | dition E12 - | 12 and E12 | - 14 | | | | | | | | | | | | | | | | | | | |
| Description | Name | Licence | Value | - 34 | | | | | | | | | | | | | | | | | | | |
| | Name | Condition | | | | | | | | | | | | | | | | | | | | | |
| OFTO Network Capacity (MW) Collar | COL | E12 - J4 E12 - J4 | 278.0 | | | | | | | | | | | | | | | | | | | | |
| Transmission System Incentive | | | | | | | | | | | | | | | | | | | | | | | |
| Factor Penalty Interest Rate | PI | E12 - J4 E12 - J2 | 10.00% | | | | | | | | | | | | | | | | | | | | |
| Penalty Application Level | | E12 - J2 | 4.00% | | | | | | | | | | | | | | | | | | | | |
| | | E12 - J4 | 0.31 | | | | | | | | | | | | | | | | | | | | |
| Risk Compensation Factor Composite Circuit Rating (MW) | RCF | E12 - J4 | | | | | | | | | | | | | | | | | | | | | |

Revenue and incentive RIGs

26 April 2013

2d. Availability performance

| n | | OFFSHORE TRANSMISSION - REVENUE reporting pack | | | | | | | | | | | | | | | | | | | | | | |
|--------|--|--|---|-------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|------|
| n E-S | E-Serve | | Project: Demo sands DFTO: [Offshore transmission operator 1] //ear: 2012-13 | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2d. Availability perform | nance | | | | | | | | | | | | | | | | | | | | | | |
| iy: | 1 | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| eparer |] | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2020 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
| v: | | | Jui-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Mar | Apr-Jun | |
| viewer | | | | • | | • | | | • | • | | • | | | | | | • | • | • | | • | | |
| | Performance Adjustment term | | | | | | | | | | | | | | | | | | | | | | | |
| | (£m) | PAt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PAt = TSAIt + TSAPt + ICAt | | | | | | | | | | | | | | | | | | | | | | | |
| | Transmission System Availability Incentive (£m) | TSAL | _ | _ | _ | | | _ | _ | _ | | _ | | _ | _ | | | _ | _ | | _ | | _ | |
| | $TSAIt = ((BRt-1/PRt-1) \times PRt-6 \times T)$ | | | <i>t</i>) | | | | | | | | | | | | | | | | | | | | |
| | Base Revenue transmission (£m) | | | -/ | | | | | | | | | | | | | | | | | | | | |
| | (, | BR _t | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Proportion of Revenue | PR _t | 0.900 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 0.100 | - |
| | Proportion of Revenue (t-6) | PRt-6 | - | - | - | - | - | - | 0.900 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.0 |
| E | BR = (TRSt + MRAt + PTRAt) x PR | EX RIT E | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| | Months | | JUL-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-DEC | JAN-JUN | |
| | Transmission System Availability Failure (%) | TSAF | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| | Transmission System Availability | I SHF y | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| | Credit (%) | TSAC _y | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 4,99% | 4.99% | 4,99% | 4.99% | 4.99% | 4,99% | 4,99% | 4.99% | 4.99% | 4.99% | 4,99% | 4.99% | 4.99% | 4.99% | 4,99% | 4.99% | |
| | | , or loy | 010070 | 010070 | 010070 | 010070 | 010070 | | 1100710 | 1100710 | | | | | 1100 /10 | | 110070 | 110070 | | 100710 | | | | |
| | Transmission System Availability | | | | | | | | | | | | | | | | | | | | | | | |
| | Payment (£m) | TSAPt | | | | | | | | | | | | | | | | | | | | | | - |
| | TSAP=Sumif(range=y, criteria=22 | to 26, sun | n function=(. | BR21/PR21)> | TSACy xPRt | -5) | | | | | | | | | | | | | | | | | | |
| | Incremental capacity incentive | 101 | | | | | | | | | | | | | | | | | | | | | | |
| | adj. term (£m) ICAt = ICUAt + (ACAt * RITt) | ICAt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Capacity utilisation adjustment | | | | | | | | | | | | | | | | | | | | | | | |
| | term (£m) | ICUA: | - | - | - | - | - | - | - | - | - | - | | - | - | - | - | - | - | - | - | - | - | |
| | ICUAIt = MAX(0, ICRDt × ICUt) | | | | | | | | | | | | | | | | | | | | | | | |
| | Incremental capacity utilisation | | | | | | | | | | | | | | | | | | | | | | | |
| | driver (£/MW) | ICRD t | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | ICRDt = BRt / CCRt x RCFt | | | | | | | | | | | | | | | | | | | | | | | |
| | Risk Compensation Factor | | | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | 0.31 | |
| | Composit Circuit Rating (MW) | CCR | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | |
| | Incremental Capacity Utilisation term (MW) | ICU. | _ | | | | | | | | | | | | | | | | | | | | | |
| | | 1002 | | | | | | | | | | | | | | | | | | | | | | |
| | | ACAL | - | - | - | - | - | - | - | - | - | - | - | - | - | | | - | - | - | - | - | - | |
| | Additional Capacity Adjustment term (£m) | ACAt | | - | - | - | - | - | - | - | 1 | - | | - | - | - | | - | - | 1 | | | - | |

Appendix 5 - Glossary

Α

Authority

The Gas and Electricity Markets Authority

0

Ofgem

Office of Gas and Electricity Markets

OFTO

Offshore transmission owner

R

RIGs

Regulatory instructions and guidance

т

TRS

Tender revenue stream

Appendix 6 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

- Does the report adequately reflect your views? If not, why not?
- Does the report offer a clear explanation as to why not all the views offered had been taken forward?
- Did the report offer a clear explanation and justification for the decision? If not, how could this information have been better presented?
- Do you have any comments about the overall tone and content of the report?
- Was the report easy to read and understand, could it have been better written?
- Please add any further comments?

1.2. Please send your comments to:

Andrew MacFaul Consultation Co-ordinator Ofgem 9 Millbank London SW1P 3GE andrew.macfaul@ofgem.gov.uk