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Electricity Transmission licensees
and other interested parties

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Date: 3 December 2014

Dear Colleague,

Decision on our proposal to correct a typographical error in the calculation of the annual incentive revenue allowance under the Transmission Investment for Renewable Generation (TIRG) mechanism

On 24 October 2014, we consulted on our proposed changes to paragraph 3J.7 of special condition 3J of the electricity transmission licences.¹ Special condition 3J details the terms of the TIRG mechanism and features in the licences of each of the electricity transmission owners (TOs) in Great Britain.² Our consultation set out the typographical errors we proposed to correct. It also explained that the errors could lead to the incorrect calculation of allowed revenue within the TIRG mechanism for each of the licensees. Actual revenues have not been adversely affected by the change, but the correction ensures that there will be no risk of any errors in the future.

Since the changes needed to correct these errors differ between licences, we simultaneously published three separate notices to consult on changes for each of the three licences. We received one response from each of the TOs in response to the changes proposed to their licences. Each of these responses agreed with our proposed changes. The accompanying notices constitute our decision on these changes and set out the modifications to paragraph 3J.7 that will take effect 56 days after this decision, on 29 January 2015.

If you require any further information relating to this decision, please contact Thomas Johns using the following contact details: Thomas Johns, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to Thomas.Johns@ofgem.gov.uk

Yours sincerely,

Kersti Berge
Partner, Electricity Transmission

¹ <https://www.ofgem.gov.uk/publications-and-updates/notice-proposed-licence-modifications-special-licence-condition-3j-electricity-transmission-licence>

² The three electricity transmission owners in Great Britain are: National Grid Electricity Transmission plc (NGET), SP Transmission plc (SPT) and Scottish Hydro Electric Transmission plc (SHET).