

All interested parties

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Dear stakeholders

Revocation of decision on values within the stakeholder satisfaction output arrangements (electricity transmission licence special condition 3D and gas transporter licence special condition 2C)

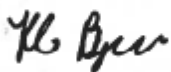
On 6 November 2015, we issued a decision¹ determining values for the baselines, caps, collars and weightings of the stakeholder satisfaction survey and key performance indicators of the electricity transmission and gas transmission owners, which form part of the stakeholder satisfaction output element of the RIIO-T1 price control (the 'Decision').

For reasons outlined further below, we hereby revoke the Decision. In consequence of this revocation, the Authority has not determined values for the purpose of either the electricity transmission licence special condition 3D.12 or the gas transporter licence special condition 2C.12 (the 'Relevant Licence Conditions').

We are revoking the Decision because we consider that the process for determining the relevant values was flawed. The mechanism for determining the relevant values as set out in the Relevant Licence Conditions permits only a single value to be determined per algebraic term in the licence, whereas the Decision purported to determine two values for eight of the algebraic terms. In order for it to be possible to determine more than one value per algebraic term, the Relevant Licence Conditions would need to be modified pursuant to the formal statutory procedure.

We will be issuing a new consultation, which re-considers the available options and re-consults on the values to be determined under the Relevant Licence Conditions in light of the information above. We will publish this consultation in the coming weeks.

Yours faithfully,



Kersti Berge
Partner, Networks

¹ <https://www.ofgem.gov.uk/publications-and-updates/decision-values-within-stakeholder-satisfaction-output-arrangements>