

Appendix 3

To: National Grid Interconnectors Limited

Electricity Act 1989 Section 11A(2)

Notice of statutory consultation on a proposal to insert new special conditions into the electricity interconnector licence held by National Grid Interconnectors Limited

1. The Gas and Electricity Markets Authority ('the Authority')¹ proposes to modify the electricity interconnector licence held by National Grid Interconnectors Limited ('NGIL') with respect to the Interconnexion France Angleterre (IFA) interconnector and granted or treated as granted under section 6(1)(e) of the Act by inserting into that licence the proposed new special conditions as specified in Schedule 3A of this notice.
2. We are proposing these modifications in order to put in place a mechanism for NGIL to make payments, where surplus funds cannot be used in accordance with one of the allowed uses specified in Use of Revenues requirements under NGIL's licence, and so it elects to return monies back to consumers by reducing network charges from the GB System Operator.
3. Specific details on the reasons and effects of these proposed modifications can be found in Schedule 3B of this notice.
4. We consulted on these proposed modifications as part a wider consultation on a number other proposed licence modifications. This informal consultation was published on our website on 4 February 2016².
5. Schedule 3C to this notice contains our responses to the issues raised by stakeholders as part of the February 2016 informal consultation on our proposed licence modifications.
6. A copy of the proposed modifications and other documents referred to in this notice are available on the Ofgem website (www.ofgem.gov.uk). Alternatively they are available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).
7. Any representations on the proposed licence modifications may be made on or before 23 September 2016 to: Ikbal Hussain, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to ikbal.hussain@ofgem.gov.uk

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

² Consultation on proposed changes to the standard conditions of the electricity interconnector licence, licences held by Nemo Link and NGIL and NGET's electricity transmission licence to implement the cap and floor regime and use of revenues compliance <https://www.ofgem.gov.uk/publications-and-updates/consultation-proposed-changes-standard-conditions-electricity-interconnector-licence-licences-held-nemo-link-and-ngil-and-ngets-electricity-transmission-licence-implement-cap-and-floor-regime-and-use-revenues-compliance>

8. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
9. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

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Stephen Beel
Partner, Competitive Networks
Duly authorised on behalf of the
Gas and Electricity Markets Authority

22 August 2016