

## Schedule 3C - Summary of February Consultation responses on proposed new special conditions for the electricity interconnector licence held by NGIL

Special Condition 1: Determination of the Interconnector Payment term; and

Special Condition 2: Provision of information to the GB System Operator

Respondent	Ref	Comments	Suggested alternative drafting (tracked changes represent suggested changes)	Ofgem view
NGET		<p>As the text is currently written, there is a requirement on the licensee, in Special Condition 2, to provide its best estimate to the System Operator of the value of the Interconnector Payment term by a specified date, but the text also provides for revised values to be notified if they will be materially different. It is not clear what the consequences of such revision are intended to be in the context of a relevant year.</p> <p>This estimated value will be taken into account in the TNUoS charge setting for the charging year and as drafted it is not clear when the difference between the original and any revised estimates will be accounted for.</p> <p>Given timing and if the estimate submitted at the specified date is not binding, if that value subsequently changes, NGET may receive more or less payment than anticipated and would be exposed to revenue over- or under- recovery that year that the charges in cannot be adjusted for.</p>	<p>To provide that where revised estimates are received after the specified date that the adjustment will be managed through the following relevant year and the ICFt paid is based on the estimates submitted by the CUSC specified date.</p> <p>Alternatively assuming we have interpreted the intent of Nemo Special Condition 10, paragraph 16 a similar approach could be adopted.</p>	<p>Special condition 2 requires the licensee to notify the GB system operator (by a date specified in the CUSC) its best estimate for the value of the ICP term. The value of the ICP term is determined in accordance with proposed special condition 1 of the licence. After the licensee has notified the GB System operator value of the ICP term (in accordance with special condition 2 and by a date to be specified in the CUSC) the value will not need to be revised as the value will not change. We have therefore removed references in special 2 to the licensee having to provide revised estimates for this term.</p>