

General Manager
Gwynt y Môr OFTO plc
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Direct Dial: 020 3263 9936
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Date: 20 February 2017

Dear General Manager,

Gwynt y Môr OFTO plc – Exceptional Event claim under Amended Standard Condition E12-J4 of the offshore transmission licence

I write in response to your letter of 5 October 2016 concerning planned outages related to Gas Insulated Busbar Inspections that occurred between 24 and 31 August 2016 (the Planned Outages) and that you claim are Exceptional Events under Amended Standard Condition E12-J4 (the Condition) of your Offshore Transmission Owner Licence (Licence).

Paragraph 9 of the Condition sets out the requirements that a Licensee must satisfy in order to be eligible for a revenue adjustment under the Condition. In particular, paragraph 9(b) requires the Licensee to notify us of an event within 14 days of its occurrence.

However we do not have any record of any notification from Gwynt y Môr within 14 days of the occurrence of the Planned Outages.

In response to our enquiries about the required 14 day notification, you have advised us that you now consider the Planned Outages to be the same exceptional event as your Exceptional Event Claim which was submitted to the Authority on 4 November 2015 (SSEC1 Claim). The SSEC1 Claim was for a completed repair that was approved and for which the Authority issued a direction on 24 February 2016 to adjust the Licensee's reported system incentive performance.

Before we published our direction on the SSEC1 Claim, the Authority wrote to you on 4 February 2016 making it clear that any claim for busbar inspections on other circuits at GyM would be considered independently of the original claim. It follows that any further claim must independently satisfy all of the requirements of the Condition.

As you have failed to notify us within 14 days of the occurrence of the Planned Outages, the Planned Outages do not qualify for a revenue adjustment under the Condition.

We will publish this letter on our website.

Please contact Stephen Taylor on 0203 263 9936 if you have any questions in relation to this letter.

Yours faithfully,



Min Zhu, Associate Partner, Networks