



Energy for  
generations

Alice Siri  
Office of Gas and Electricity Markets  
By email: [ESOperformance@ofgem.gov.uk](mailto:ESOperformance@ofgem.gov.uk)

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Dear Alice

**Statutory consultation on a proposal to modify the special conditions of the electricity transmission licence held by National Grid Electricity System Operator Limited**

Our understanding is that this proposal seeks to provide the option to the Authority and National Grid to adjust allowed revenue for year  $t+1$ , according to material difference between NGESO's forecast and actual incentive payments, and thereby minimise the need to make retrospective amendments to BSUoS charges for year  $t$ .

ESB welcomes measures to improve certainty around BSUoS payments, even in the case of after charging and payment.

Transparency is required on National Grid's intentions, as there is a suggestion in the cover letter that their use of the measures in this proposal will be optional. Industry will clearly need to know in good time whether National Grid intends to deploy the revenue adjustment approach or not. We assume that the recovery of the revenue adjustment will be spread across the year e.g. not paid via a bullet payment or compressed into fewer than 12 months. Transparency and confirmation of this would be helpful. Any further unpredictability or volatility of BSUoS should be avoided.

Yours sincerely

Kirsty Ingham  
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