

### *Interpretations and Definitions*

<b>Term</b>	<b>Gas Transporter - GDN</b>	<b>Gas Transporter - NGGT</b>	<b>Electricity Transmission - TO</b>	<b>Electricity Transmission - NGESO</b>
<i>New terms :</i>				
<b>SIF</b>	means the strategic innovation fund established by Special Condition 5.5 (The strategic innovation fund).	means the strategic innovation fund established by Special Condition 5.7 (The strategic innovation fund).	means the strategic innovation fund established by Special Condition 5.8 (The strategic innovation fund).	means the strategic innovation fund established by Special Condition 3.4 (The strategic innovation fund).
<b>SIF Directly Attributable Costs</b>	means costs relating to the maintenance and management of intellectual property generated through Eligible SIF Projects undertaken by the licensee that have not been otherwise remunerated by Network Charges, Directly Remunerated Services or the SIF Funding Mechanism.	means costs relating to the maintenance and management of intellectual property generated through Eligible SIF Projects, whether undertaken by the licensee or any other Gas Transporter Licensee, that have not been otherwise remunerated by NTS Transportation Owner Charges, Directly Remunerated Services or the SIF Funding Mechanism.	means costs relating to the maintenance and management of intellectual property generated through Eligible SIF Projects undertaken by the licensee that have not been otherwise remunerated through Network Charges, Directly Remunerated Services or the SIF Funding Mechanism.	means costs relating to the maintenance and management of intellectual property generated through Eligible SIF Projects, whether undertaken by the licensee or any other Transmission Licensee that have not been otherwise remunerated through Transmission Network Charges, Directly Remunerated Services or the SIF Funding Mechanism.
<b>SIF Disallowed Expenditure</b>	means any revenue received by the licensee from the NTS Operator under the SIF Funding Mechanism that the Authority determines has not been spent in accordance with the applicable provisions of the SIF Governance Document or the terms of the relevant SIF Project Direction.	means revenue received, whether by the licensee or any other Gas Transporter Licensee, under the SIF Funding Mechanism that the Authority determines has not been spent in accordance with the applicable provisions of the SIF Governance Document or the terms of the relevant SIF Project Direction.	means any revenue received by the licensee from NGESO under the SIF Funding Mechanism that the Authority determines has not been spent in accordance with the applicable provisions of the SIF Governance Document or the terms of the relevant SIF Project Direction.	means revenue received, whether by the licensee or any other Transmission Licensee, under the SIF Funding Mechanism that the Authority determines has not been spent in accordance with the applicable provisions of the SIF Governance Document or the terms of the relevant Project Direction.
<b>Eligible SIF Project</b>	means a project undertaken by the licensee or any other	means a project undertaken by the licensee or any other	means a project undertaken by the licensee or any other	means a project undertaken by the licensee or any other Transmission

	Gas Transporter Licensee that appears to the Authority to satisfy such requirements of the SIF Governance Document as are necessary to enable the project to be funded under the SIF Funding Mechanism.	Gas Transporter Licensee that appears to the Authority to satisfy such requirements of the SIF Governance Document as are necessary to enable the project to be funded under the SIF Funding Mechanism.	Transmission Licensee that appears to the Authority to satisfy such requirements of the SIF Governance Document as are necessary to enable the project to be funded under the SIF Funding Mechanism.	Licensee that appears to the Authority to satisfy such requirements of the SIF Governance Document as are necessary to enable the project to be funded under the SIF Funding Mechanism..
<b>SIF Funding</b>	means the proportion (if any) of the total amount of funding raised by the NTS Operator in accordance with the SIF Funding Mechanism that the Authority determines is to be allocated to the licensee in respect of its Eligible SIF Projects, as adjusted by the amount of any SIF Funding Return	means the total amount of funding authorised by the Authority for the licensee and other Gas Transporter Licensees, in accordance with the provisions of the SIF Governance Document, for the purpose of funding Eligible SIF Projects.	means the proportion (if any) of the total amount of funding raised by NGESO in accordance with the SIF Funding Mechanism that the Authority determines is to be allocated to the licensee in respect of its Eligible SIF Projects, as adjusted by the amount of any SIF Funding Return.	means the total amount of funding authorised by the Authority for the licensee and other Transmission Licensees in accordance with the provisions of the SIF Governance Document, for the purpose of funding Eligible SIF Projects.
<b>SIF Funding Mechanism</b>	means the mechanism by which the licensee receives the amount of authorised SIF Funding in any Regulatory Year from the NTS Operator, less any SIF Funding Return.	means the mechanism by which the licensee recovers the amount of authorised SIF Funding in any Regulatory Year and apportions that amount between the licensee and other Gas Transporter Licensees as appropriate in accordance with the SIF Governance Document.	means the mechanism by which the licensee receives the amount of authorised SIF Funding in any Relevant Year from NGESO, less any SIF Funding Return	means the mechanism by which the licensee recovers the amount of authorised SIF Funding in any Regulatory Year and apportions that amount between the licensee and other Transmission Licensees as appropriate in accordance with the SIF Governance Document.
<b>SIF Funding Return</b>	means the total amount, in respect of the licensee, of any amounts arising under the SIF Funding Return Mechanism.	means the total amount, in respect of the licensee and other Gas Transporter Licensees, of any amounts	means the total amount, in respect of the licensee, of any amounts arising under the SIF Funding Return Mechanism.	means the total amount, in respect of the licensee and other Transmission Licensees of any amounts arising

		arising under the SIF Funding Return Mechanism.		under the SIF Funding Return Mechanism.
<b>SIF Funding Return Mechanism</b>	means a mechanism which provides for payments to be made by the licensee to the NTS Operator, in each case to such extent (if any) as may be relevant, of: a) SIF Halted Project Revenues; b) SIF Disallowed Expenditure; c) SIF Returned Royalty Income; and d) SIF Returned Project Revenues.	means the mechanism which provides for the recovery from the licensee and from other Gas Transporter Licensees, in each case to such extent (if any) as may be relevant, of: a) SIF Halted Project Revenues; b) SIF Disallowed Expenditure; c) SIF Returned Royalty Income; and d) SIF Returned Project Revenues.	means the mechanism which provides for payments to be made by the licensee to NGESO, as may be relevant in each of the following cases to such extent (if any) as may be relevant, of: a) SIF Halted Project Revenues; b) SIF Disallowed Expenditure; c) SIF Returned Royalty Income; and d) SIF Returned Project Revenues.	means the mechanism which provides for the recovery from the licensee and from other Transmission Licensees in each case to such extent (if any) as may be relevant, of: a) SIF Halted Project Revenues; b) SIF Disallowed Expenditure; c) SIF Returned Royalty Income; and d) SIF Returned Project Revenues.
<b>SIF Governance Document</b>	means the document issued by the Authority under Part C of Special Condition 5.5 (The strategic innovation fund)	means the document issued by the Authority under Part C of Special Condition 5.7 (The Strategic Innovation Fund)	means the document issued by the Authority under Part C of Special Condition [XX] (The strategic innovation fund)	means the document issued by the Authority under Part C of Special Condition [XX] (The strategic innovation fund)
<b>SIF Halted Project Revenues</b>	means any revenues received by the licensee from the NTS Operator under the SIF Funding Mechanism in respect of an Eligible SIF Project which have not yet been spent, or otherwise committed, at the time that the Authority requires that project to be halted in	means revenues received, whether by the licensee or any other Gas Transporter Licensee, under the SIF Funding Mechanism in respect of an Eligible SIF Project which have not yet been spent, or otherwise committed, at the time that the Authority requires that	means any revenues received by the licensee from NGESO under the SIF Funding Mechanism in respect of an Eligible SIF Project which have not yet been spent, or otherwise committed, at the time that the Authority requires that project to be halted in accordance with the applicable provisions of the SIF Governance	means revenues received, whether by the licensee or any other Transmission Licensee under the SIF Funding Mechanism in respect of an Eligible SIF Project which have not yet been spent, or otherwise committed, at the time that the Authority requires that project to be halted in accordance with the applicable provisions of the SIF

	accordance with the applicable provisions of the SIF Governance Document or the terms of the relevant SIF Project Direction.	project to be halted in accordance with the applicable provisions of the SIF Governance Document or the terms of the relevant SIF Project Direction.	Document or the terms of the relevant SIF Project Direction	Governance Document or the terms of the relevant Project Direction.
<b>SIF Project Direction</b>	means a direction issued by the Authority pursuant to the SIF Governance Document setting out the terms to be followed in relation to an Eligible SIF Project as a condition of its funding under the SIF Funding Mechanism.	means a direction issued by the Authority pursuant to the SIF Governance Document setting out the terms to be followed in relation to an Eligible SIF Project as a condition of its funding under the SIF Funding Mechanism.	means a direction issued by the Authority pursuant to the SIF Governance Document setting out the terms to be followed in relation to an Eligible SIF Project as a condition of its funding under the SIF Funding Mechanism.	means a direction issued by the Authority pursuant to the SIF Governance Document setting out the terms to be followed in relation to an Eligible SIF Project as a condition of its funding under the SIF Funding Mechanism.
<b>Proposed SIF Project</b>	means a project that the licensee or any other Gas Transporter Licensee has proposed to be funded by the SIF.	means a project that the licensee or any other Gas Transporter Licensee has proposed to be funded by the SIF.	means a project that the licensee or any Transmission Licensee has proposed to be funded by the SIF.	means a project that the licensee or any Transmission Licensee has proposed to be funded by the SIF.
<b>SIF Returned Project Revenues</b>	<p>means:</p> <p>a) revenues received by the licensee from the NTS Operator under the SIF Funding Mechanism in respect of an Eligible SIF Project that the Authority determines have not been spent, and where that project has been carried out in accordance with the applicable provisions of</p>	<p>means:</p> <p>a) revenues received, whether by the licensee or any other Gas Transporter Licensee, under the SIF Funding Mechanism in respect of an Eligible SIF Project that the Authority determines have not been spent, and where that project has been carried out in accordance</p>	<p>means:</p> <p>a) revenues received by the licensee from NGESO under the SIF Funding Mechanism in respect of an Eligible SIF Project that the Authority determines have not been spent, and where that project has been carried out in accordance with the applicable provisions of the SIF Governance Document and/or the terms of the</p>	<p>means:</p> <p>a) revenues received, whether by the licensee or any other Transmission Licensee under the SIF Funding Mechanism in respect of an Eligible SIF Project that the Authority determines have not been spent, and where that project has been carried out in accordance with the applicable provisions of the SIF Governance Document and/or</p>

	<p>the SIF Governance Document and/or the terms of the relevant SIF Project Direction; or</p> <p>b) revenues earned from an Eligible SIF Project by the licensee other than SIF Returned Royalty Income, that the Authority determines are payable to customers.</p>	<p>with the applicable provisions of the SIF Governance Document and/or the terms of the relevant SIF Project Direction; or</p> <p>b) revenues earned from an Eligible SIF Project, whether undertaken by the licensee or any other Gas Transporter Licensee, other than SIF Returned Royalty Income that the Authority determines are payable to customers.</p>	<p>relevant SIF Project Direction; or</p> <p>b) revenues earned from Eligible SIF Projects by the licensee other than Returned Royalty Income, that the Authority determines are payable to customers.</p>	<p>the terms of the relevant SIF Project Direction; or</p> <p>b) revenues earned from Eligible SIF Projects, whether undertaken by the licensee or any other Transmission Licensee other than SIF Returned Royalty Income, that the Authority determines are payable to customers.</p>
<b>SIF Returned Royalty Income</b>	means revenue earned from intellectual property generated through Eligible SIF Projects undertaken by the licensee, less SIF Directly Attributable Costs, and that is payable to customers under the SIF Funding Mechanism, as calculated in accordance with the provisions of the SIF Governance Document.	means revenue earned from intellectual property generated through Eligible SIF Projects, whether undertaken by the licensee or any other Gas Transporter Licensee, less SIF Directly Attributable Costs, and that is payable to customers under the SIF Funding Mechanism, as calculated in accordance with the provisions of the SIF Governance Document.	means revenue earned from intellectual property generated through Eligible SIF Projects undertaken by the licensee, less SIF Directly Attributable Costs, and that is payable to customers under the SIF Funding Mechanism, as calculated in accordance with the provisions of the SIF Governance Document.	means revenue earned from intellectual property generated through Eligible SIF Projects, whether undertaken by the licensee or any other Transmission Licensee less SIF Directly Attributable Costs, and that is payable to customers under the SIF Funding Mechanism, as calculated in accordance with the provisions of the SIF Governance Document.
<i>Existing terms referred to in these SIF conditions (for</i>				

<i>ease of reference):</i>				
<b>the Authority</b>	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).	has the meaning given to that term in Standard Condition A1 (Definitions and interpretation).	has the meaning given to that term in Standard Condition A1 (Definitions and interpretation).
<b>Authority's Website</b>	means <a href="http://www.ofgem.gov.uk">www.ofgem.gov.uk</a> .	means <a href="http://www.ofgem.gov.uk">www.ofgem.gov.uk</a> .	means <a href="http://www.ofgem.gov.uk">www.ofgem.gov.uk</a> .	means <a href="http://www.ofgem.gov.uk">www.ofgem.gov.uk</a> .
<b>Directly Remunerated Services</b>	has the meaning given to that term in Part A of Special Condition 9.7 (Directly Remunerated Services).	has the meaning given to that term in Part A of Special Condition 9.7 (Directly Remunerated Services).	has the meaning given to that term in Part A of Special Condition 9.7 (Directly Remunerated Services).	has the meaning given to that term in Part A of Special Condition 2.9 (Services treated as Directly Remunerated Services).
<b>Gas Transporter Licensee</b>	means the holder of a licence granted under section 7 of the Act.	means the holder of a licence granted under section 7 of the Act.	[Not used]	[Not used]
<b>Network Charges</b>	means charges made or levied, or to be made or levied, on any person by the licensee for the provision of services as part of its Licensed Activity.	[Not used]	means charges levied by the licensee in respect of the provision of Transmission Network Services.	[Not used]
<b>NTS Operator</b>	has the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation).	[Not used]	[Not used]	[Not used]

<b>NTS Transportation Owner Charges</b>	[Not used]	means charges made or levied, or to be made or levied, by the licensee for the provision of services as part of its NTS Transportation Owner Activity, to any person, for the purpose of recovering its Allowed Revenue.	[Not used]	[Not used]
<b>NGESO</b>	[Not used]	[Not used]	means National Grid Electricity System Operator Limited.	[Not used]
<b>Regulatory Year</b>	means a period of twelve months commencing on 1 April at 05:00 and ending on the following 1 April immediately before 05:00.	means a period of twelve months commencing on 1 April at 05:00 and ending on the following 1 April immediately before 05:00.	means a period of twelve months commencing on 1 April.	means a period of twelve months commencing on 1 April.
<b>Transmission Network Charges</b>	[Not used]	[Not used]	[Not used]	means charges levied by the licensee in respect of the provision of Transmission Network Services.
<b>Transmission Licence</b>	[Not used]	[Not used]	has the meaning given to that term in Standard Condition A1 (Definitions and interpretation).	has the meaning given to that term in Standard Condition A1 (Definitions and interpretation).
<b>Transmission Licensee</b>	[Not used]	[Not used]	has the meaning given to that term in Standard Condition A1 (Definitions and interpretation).	has the meaning given to that term in Standard Condition A1 (Definitions and interpretation).