

### **Schedule 3B: Reasons and effect of proposed insertion of new special conditions into the electricity interconnector licence held by NGIL with respect to the IFA interconnector**

#### Special Condition 1: Determination of the Interconnector Payment term

This reason for this condition is to require NGIL to submit a proposed value for the Interconnector Payment (ICP) term in accordance with and by the date specified in this condition. The value of the ICP represents revenue earned by NGIL from the allocation of interconnector capacity that is to be returned to consumers in accordance with the Use of Revenues requirements under its licence. The condition also sets out the process for determining the value of the ICP term.

The effect of this condition is to put in place a mechanism for an amount equal to the value of the ICP term to be returned to consumers via a corresponding decrease to network charges.

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

The reason for this new special condition is to require NGIL to liaise with the GB System Operator to inform the TNUoS charge setting process.

The condition stipulates that NGIL must provide best estimates of its revenue relative to its agreed return. The condition also requires NGIL to inform the Authority of its best estimates.

The effect of this condition is to ensure the GB System Operator has available the necessary information to facilitate its forecasting and setting of TNUoS charges.