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Dear Gary

Approval of statement pursuant to amended standard condition E12-J9 (Basis of Transmission Owner Charges)

Background

Diamond Transmission Partners Walney Extension Limited (the **Licensee**) holds a transmission licence (the 'Licence') granted by the Gas and Electricity Markets Authority (the **Authority**) under section 6(1)(b) of the Electricity Act 1989. Amended standard condition E12-J9 of the Licence requires the Licensee to prepare and submit to the Authority for approval a statement (the **Statement**) setting out the basis upon which it will charge National Grid Electricity System Operator Limited (**NGESO**) for the services it provides. The services comprise:

- Transmission Owner Services;
- Connections to the Licensee's transmission system; and
- Outage Changes.

The Licensee submitted its Statement to the Authority on 24 October 2019. The Authority sent the Statement to relevant parties, including the System Operator-Transmission Owner Code on 25 October 2019 inviting them to comment. No comments were received.

Authority's decision

Pursuant to paragraph 1 of amended standard condition E12-J9 of the Licence, the Authority hereby approves the Statement that was submitted to it by the Licensee and is set out in a separate Annex to this letter. In this regard, the Authority's approval extends only to the basis upon which the charges are made as provided for in amended standard condition E12-J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services).

The Authority does not warrant the accuracy of or approve any values provided in the Statement. It is the Licensee's responsibility to ensure that the charges derived from the application of the methodology are correct. Please note such values will be monitored through the audited revenue return required to be submitted to the Authority by 31 July each year. The audited revenue return is a Licence requirement under amended standard condition E12-D1 (Offshore Regulatory Reporting).

Future revisions to the Statement

The Licensee is required to revise the Statement, at least once in every year that the Licence is in force, making any necessary revisions to the Statement to ensure that the information set out in the Statement continues to be accurate in all material respects.

We encourage OFTOs to continue working together to improve the consistency of their indicative charges, by sending their revised charging statements to the Transmission Charging Review Group (TCRG) and inviting it to comment on those statements.

Yours sincerely,

Jourdan Edwards Head of the OFTO Regime

Duly authorised on behalf of the Gas and Electricity Markets Authority

Annex