

Respondent details		Mutual Energy		
Licence/Document name	Condition number	Page/Paragraph Ref	Comments	Suggested alternative drafting (please use tracked changes wherever possible)
Electricity Interconnector SLCs	27	6	This paragraph provides for the authority to specify the value of the ICP term. We would appreciate clarification on the bounds of the ICP term specified by the authority, primarily that it may not be less than zero (i.e. resulting in payments from an interconnector licence holder to the GB System Operator). Whilst this may be stating the obvious in the context of the surrounding drafting, this is an extremely sensitive area for Moyle's bond financiers. Circumstances where Ofgem may compel Moyle to pay an unknown sum to the SO could have significantly detrimental consequences under our bond financing arrangements.	Following the cost assessment process, the Authority shall determine whether the licensee's proposed values for the ICPn term is acceptable and, if not, specify the value of the ICPn term, <u>such value to be not less than zero.</u>
Electricity Interconnector SLCs	28	2, 3	<p>These paragraphs refer to 'the date specified in the CUSC'. These appear to refer to paragraphs 9.23.2 and 9.23.3 of the CUSC.</p> <p>9.23.2 relates to "Interconnector Adjustment Payments" which per the CUSC "means as appropriate the Interconnector Payments and/or Interconnector Cap and Floor Revenue Adjustment". Both Interconnector Payments and Interconnector Cap and Floor Revenue Adjustment are defined in the CUSC with reference to licence conditions which are not in effect in all interconnector licences i.e. those which are neither IFA or subject to the cap and floor regime. It does not therefore follow that the ICP term in the proposed condition 28 has the same meaning as 'Interconnector Payments' in the CUSC so, whilst the intent can be inferred, 'the date specified in the CUSC' does not have a clear meaning. There may be therefore be a risk to the operability of the proposed condition for Moyle and other non cap and floor interconnector licences.</p>	<p>We do not propose alternative drafting to the licence condition but an amendment to the definition of Interconnector Payments in the CUSC seems to be required before the proposed condition 28 becomes operable.</p> <p>The change to the CUSC definition of interconnector payments should be amended to include a reference to the meaning given under interconnector SLC condition 28.</p>