

Schedule 2 – Modifications to special condition 1 of the electricity interconnector licence held National Grid Interconnectors Limited (with respect to the IFA interconnector)

[Note: Text shown in blue underlined text are additions and text shown in ~~red strikethrough~~ are deletions]

Special Condition 1: Determination of the Interconnector Payment term with respect to Use of Revenues

1. The licensee may include in its use of revenues statement, prepared and submitted for Authority approval pursuant to the provisions of Part C of standard condition 9 (Use of revenues), a proposed value for the Interconnector Payments (ICP) amount, to be used for the purposes described in paragraph 3(c) of standard condition 9.
2. Any such value proposed by the licensee under Part C of standard condition 9 of this licence shall be construed as a proposed ICP amount by the licensee under paragraph 1 of this condition and must include:
 - (a) the licensee's proposed value for the ICP amount for Reporting Period y (ICP_y); and
 - (b) details of how the licensee's proposed value for the ICP_y term has been calculated.
3. In accordance with standard condition 9, any proposal under paragraph 1 of this condition must be submitted, for any relevant Reporting Period, by no later than ~~15 July~~ 31 January each year, following the end of the ~~of the calendar year in which that~~ Reporting Period ~~ends~~.
4. The value of the ICP_y term for any relevant Reporting Period shall:

(a) where the Authority issues a direction within 3 months of receipt of the use of revenues statement approving the use of revenues statement, have the value equal to that proposed by the licensee under paragraph 1 of this condition; or

(b) in the absence of any direction within 3 months of receipt of the use of revenues statement from the licensee have the value equal to that proposed by the licensee under paragraph 1 of this condition; or

(c) where the Authority directs that the use of revenues statement is not approved - have the value zero.

5. For the purposes of this condition:

Interconnector Payments (ICP) term means payments made ~~by~~between the licensee ~~to~~and the GB System Operator

Reporting Period means a period of 12 months beginning on ~~1st January~~ July of each calendar year and ending on ~~31 December~~ 30 June of the ~~following same~~ calendar year

Reporting Period y means the Reporting Period for the purposes of which any calculations fall to be made

ICP_y means the value of the ICP term in Reporting Period y