

GT SECTOR	
<b>REFERENCE NUMBER:</b>	<b>CATEGORY:</b> Removal
<b>LICENCE CONDITION NUMBER:</b> <i>(if relevant):</i>	SpC 5B
<b>TITLE:</b>	Determination of PCFM Variable Values for Totex Incentive Mechanism Adjustments – NTS Transportation Owner
<b>RELEVANT LICENCE CONSULTATION QUESTIONS</b> <i>(if any):</i>	
<b>RELEVANT ISSUES LOG:</b>	
<b>POLICY ISSUES</b>	
<b>DRAFTING ISSUES</b>	
	<p>Appendix 1 per 5B of the RIIO1 Licence condition details the Totex incentive strength and the capitalisation rates for TO. The removal of this condition in the RIIO2 drafting means these details are not reflected anywhere within the licence. These items are also not detailed in the PCFH. We request that these are included either within the drafting or PCFH. Subject to the above issue being appropriately addressed we agree with the proposed removal of this condition. Our further comments on the consequential impact of the removal of the condition are included out in our comments on the PCFM.</p>
<b>FINANCE ISSUES</b>	
<b>SUPPORTING INFORMATION</b>	
<b>OFGEM ENGAGEMENT:</b>	