

GT SECTOR	
<b>REFERENCE NUMBER:</b>	<b>CATEGORY:</b>
<b>LICENCE CONDITION NUMBER:</b> <i>(if relevant):</i>	SpC 6.3
<b>TITLE:</b>	System Operator pass-through items
<b>RELEVANT LICENCE CONSULTATION QUESTIONS</b> <i>(if any):</i>	
<b>RELEVANT ISSUES LOG:</b>	
<b>POLICY ISSUES</b>	
<ul style="list-style-type: none"> <li>Market driven IT change</li> </ul>	<ul style="list-style-type: none"> <li>Our response to NGGTQ29 of the draft determinations requested that two IT investments to facilitate Market Driven change be treated as SO pass-through items. Assuming the policy position is accepted we would expect it to be addressed within this licence condition.</li> </ul>
<b>DRAFTING ISSUES</b>	
<ul style="list-style-type: none"> <li>General</li> <li>Bad Debt</li> <li>6.3.2</li> </ul>	<ul style="list-style-type: none"> <li>The licence and the PCFM should contain the full suite of costs which comprise the calculation of SO Pass Through costs (SOPTt). These include CDSP costs, pension scheme established deficit and System Operator bad debt.</li> <li>There is no bad debt (BDt) term included within SOPT. The BDt term within Part C of SpC 6.1 (TO Pass Through) includes bad debt relating to NTS Transportation Charges as well as System Operator Transportation Charges. These should be separated out and included in the respective TO and SO Pass Through terms.</li> <li>The definition of “SO Allowed revenue” in the GT definition annex needs to refer to paragraph 2.5.5 of Special Condition 2.5</li> </ul>
<b>FINANCE ISSUES</b>	
<b>SUPPORTING INFORMATION</b>	
<b>OFGEM ENGAGEMENT:</b>	