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for energy consumers

National Grid Gas plc, gas shippers, gas suppliers and other interested parties

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Modification Direction of permit arrangements for the provision of incremental capacity to licence for National Grid Gas plc – correction of typographical error to licence condition attached to modification

Our modification published on 28 April 2014, *Modification Direction of permit arrangements for the provision of incremental capacity to licence for National Grid Gas plc*,¹ contained a minor drafting error.

The modification made changes to Part C of Special Condition 3A, which describes the Calculation of Maximum NTS System Operation Revenue (SOMRt).

The modification refers to Special Conditions 3A.1 and 3A.2 of the Gas Transporter Licence. However, this numbering was incorrect. The licence should refer to Special Conditions **3A.5** and **3A.6**:

Part C: Calculation of Maximum NTS System Operation Revenue (SOMRt)

3A.5 Maximum NTS System Operation Revenue, in Formula Year t, is derived in accordance with the following formula (in this condition, the "Principal Formula"):

$$SOMRt = SOBrt + CMt + TSSt + DELINt + SOOIRt - SOKt$$

3A.6 In the Principal Formula:

SOMRt means the amount of Maximum NTS System Operation Revenue in Formula Year t.

SOBrt means the amount of Base NTS System Operation Revenue in Formula Year t as derived in accordance with the formula set out in Part D of this condition.

¹ <https://www.ofgem.gov.uk/ofgem-publications/87454/140415permitsmoddirfinal.pdf>

<i>CMt</i>	<i>means the revenue adjustment in Formula Year t in respect of Constraint Management as derived in accordance with Special Condition 3B (Entry Capacity and Exit Capacity Constraint Management).</i>
<i>TSSt</i>	<i>means the revenue adjustment in Formula Year t in respect of NTS Transportation Support Services as derived in accordance with Special Condition 3C (NTS Transportation Support Services).</i>
<i>DELINt</i>	<i>means the permits revenue adjustment made in Formula Year t in respect of Legacy Permit Arrangements as derived in accordance with Part E of Special Condition 2D (Permit Arrangements for the provision of incremental capacity).</i>
<i>SOOIRt</i>	<i>means the NTS System Operation Revenue External Incentive adjustment in respect of Formula Year t as derived in accordance with Special Condition 3D (NTS System Operator external incentives, costs and revenues).</i>
<i>SOKt</i>	<i>means the correction term revenue adjustment in Formula Year t as derived in accordance with the formula set out in Part E of this condition.</i>

This letter serves as an addendum to the published modification. We have not made any other corrections to the licence conditions attached to the notices.

If you have any questions regarding this addendum, please contact Fabien Laroche (0207 901 3123, fabien.laroche@ofgem.gov.uk) in the first instance.

Yours faithfully,

Andy Burgess
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