

**MODIFICATION OF AQUILA NETWORKS PLC
DISTRIBUTION LICENCE UNDER SECTION 11
AND NOTICE OF REASONS FOR DECISION UNDER SECTION 49A
OF THE ELECTRICITY ACT 1989**

Whereas –

1. Aquila Networks PLC, (“the Licence Holder”) is the holder of a licence (“a Licence”) treated as granted under Section 6(1)c of the Electricity Act 1989, as amended by the Utilities Act 2000 (“the Act”) to distribute electricity for the term and subject to the conditions contained in the Licence;
2. In accordance with section 11(3) of the Act the Gas and Electricity Markets Authority (“the Authority”) on 26 April 2004 gave notice that it proposed to make modifications to paragraph 1 of standard condition 39 of the Licence and by requiring any objections or representations to the modification to be made on or before 26 May 2004;
3. The Authority gave such notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification;
4. The Licence Holder has given consent to the modification set out in the attached Schedule. Now in accordance with the powers contained in section 11(1) of the Act and with the consent of the Licence Holder, the Authority hereby modifies the standard licence condition in the manner specified in the attached Schedule with effect from 18 June 2004;
5. The modification is being made because, with the recent acquisition of the licensee by Powergen UK plc, the licensee is now an indirect subsidiary of a company that holds gas supplier, electricity supply and gas shipper licenses which were the subject of licensing schemes made under the Utilities Act 2000, but not of a transfer scheme. In summary, the effect of the modification is to allow information to be passed by the licensee to a company owning a gas supplier electricity supply or gas shipper licence, but to prevent access to that information by a supply or shipping business.
6. No representations or objections were received to the modification proposal.



Authorised on behalf of the Authority

8 June 2004

SCHEDULE

Proposed modification to standard condition 39

Condition 39. Restriction on use of certain information and independence of the Distribution Business

[All definitions within the above amended standard condition remain the same save the following amendments]

1. In this Condition:

'Relevant supplier or shipper' means:-

- (a) the business of shipping gas of a gas shipper's licence holder, or
- (b) the business of supplying electricity or gas of an electricity or gas supply licence holder

which is an affiliate or related undertaking of the licensee