

THE ELECTRICITY ACT 1989
Section 11A

**MODIFICATION OF STANDARD CONDITIONS OF ELECTRICITY
GENERATION LICENCES GRANTED OR TREATED AS GRANTED UNDER
SECTION 6(1)(a) OF ELECTRICITY ACT 1989**

Whereas:

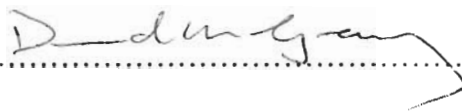
1. Each of the companies to whom this document is addressed holds an electricity generation licence, granted or treated as granted under section 6(1)(a) of the Electricity Act 1989 (“the Act”), authorising them to generate electricity subject to the conditions contained in that licence.
2. In accordance with section 11A(3) of the Act, the Gas and Electricity Markets Authority (“the Authority”) gave notice (“the notice”) on 12 September 2005 that it proposed to modify the standard licence conditions (“SLCs”) of electricity generation, transmission, distribution and supply licences.
3. The notice proposed modifications to SLC 1 (Definitions and Interpretation) of the electricity generation licences.
4. Objections or representations to the proposed modifications were required to be made on or before 10 October 2005. The Authority did not receive any objections and received one representation in response to the notice from an electricity distribution licensee.
5. The Authority sent a copy of the notice to the Secretary of State and to energywatch. The Secretary of State did not direct the Authority not to make the proposed modifications.
6. The representation from the electricity distribution licensee referred to the modification of SLC 1 (Definitions and Interpretation) to provide that the definition of “interconnector” has the meaning given “in section 4(3E) of the Act”. The licensee indicated that section 4(3E) of the Act, as inserted by section 145 of the Energy Act 2004, does not recognise the term “interconnector”. The term recognised is “electricity interconnector”.
7. The Authority has carefully considered the representation.
8. In accordance with section 49A of the Act, the Authority published its decision about the proposed modifications and the reasons for that decision on 10 November 2005 in a letter entitled, “Decision in respect of licence modifications required as a consequence of the introduction of interconnector licences: statutory notices under section 11 and section 11A of the Electricity Act 1989” (“the decision letter”).

9. In accordance with the decision letter, the definition of “interconnector” in SLC 1 (Definitions and Interpretation) has been modified to address the concern of the electricity distribution licensee, referred to in paragraph 6 of this document.

Modification

In accordance with the powers contained in section 11A(1) of the Act, the Authority hereby modifies SLC 1 (Definitions and Interpretation) of the electricity generation licences in the manner specified in the schedule to this document. That modification shall have effect on and from 14 August 2006.

The Official Seal of the Authority here affixed is authenticated by the signature of:



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David Gray, Managing Director, Networks
authorised for and on behalf of the Authority

11 August 2006

SCHEDULE 1

Condition 1. Definitions and Interpretation

No modifications are proposed to paragraph 1 of this condition, except as shown below:

- "authorised electricity operator" means any person (other than the licensee) who is authorised to generate, participate in the transmission of, distribute or supply electricity or participate in the operation of an interconnector and, for the purposes of the standard conditions shall include any person who has made an application to be so authorised which application has not been refused and any person lawfully transferring electricity to or from or across Great Britain or any part thereof or to or from across an interconnector (or who has made application for use of an interconnector which has not been refused).
- "interconnector" means the electric lines and electrical plant and meters owned or operated by a transmission licensee solely for the transfer of electricity to or from the GB transmission system into or out of Great Britain has the meaning given to 'electricity interconnector' in section 4(3E) of the Act.
- "separate business" means each and any of
- (a) the generation business of the licensee;
 - (b) the supply business of the licensee;

(c) any distribution business of an affiliate or related undertaking of the licensee; ~~and~~

(d) any transmission business of an affiliate or related undertaking of the licensee; and

(e) any interconnector business of an affiliate or related undertaking of the licensee

taken separately from one another (but so that where all or any part of such business is carried on by an affiliate or related undertaking of the licensee, such part of the business as is carried on by that affiliate or related undertaking shall be consolidated with any such other business of the licensee and of any other affiliate or related undertaking of the licensee so as to form a single separate business).

No modifications are proposed to paragraphs 2-5 (inclusive) of this condition.