

The Company Secretary
Blue Transmission Sheringham Shoal Limited
The American Barns
Banbury Road
Lighthorne
Warwick
Warwickshire
CV35 0AE

Direct Dial: 020 7901 7358
Email: Hannah.Evans@ofgem.gov.uk

Date: 27 June 2013

Dear Company Secretary

Approval of statement pursuant to amended standard condition E12-J9 (Basis of Transmission Owner Charges)

Background

Blue Transmission Sheringham Shoal Limited (the 'Licensee') holds a transmission licence (the 'Licence') granted by the Gas and Electricity Markets Authority (the 'Authority') under section 6(1)(b) of the Electricity Act 1989. Amended standard condition E12 - J9 of the Licence requires the Licensee to provide a statement (the 'Statement'), approved by the Authority, setting out the basis upon which it will charge National Grid Electricity Transmission plc ('NGET') for the services it provides. The services comprise:

- Transmission owner services;
- Connections to the Licensee's transmission system; and
- Outage changes.

The Licensee submitted its Statement to the Authority on 4 December 2012. The Authority sent the Statement to parties to the System Operator-Transmission Owner Code ('STC') on 13 December 2012, inviting them to comment. No comments were received.

The Licensee is required to periodically revise the Statement and shall, at least once in every year that the Licence is in force, make any necessary revisions to the Statement to ensure that the information set out in the Statement continues to be accurate in all material respects.

Authority's decision

Pursuant to paragraph 6 of amended standard condition E12-J9 of the Licence, the Authority hereby approves the Statement that was submitted to it by the Licensee and is set out in a separate Annex to this letter. In this regard, the Authority's approval extends only to the basis upon which the charges are made as provided for in amended standard condition E12-J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services).

The Authority does not warrant the accuracy of or approve any values provided in the Statement. It is the Licensee's responsibility to ensure that the charges derived from the application of the methodology are correct. Please note such values will be monitored through the audited revenue return required to be submitted to the Authority by 31 July

each year. The audited revenue return is a Licence requirement under amended standard condition E12-D1 (Offshore Regulatory Reporting).

Yours sincerely,

.....

Stephen Beel
Associate Director, Offshore Transmission

Duly authorised on behalf of the
Gas and Electricity Markets Authority

Date: 27 June 2013