



Electricity Interconnector Licence applicants,
Any other interested parties.

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Direct Dial: 020 7901 7118
Email: Michael.knowles@ofgem.gov.uk

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Dear Colleagues

Open Letter: Interconnector licence applications

This letter seeks to clarify our position on electricity interconnector licence applications. Specifically, the requirement in the Electricity Application Regulations¹ for licence applicants to specify the actual or proposed point of connection for a proposed interconnector.

Schedule 2, Part 4 of the Electricity Application Regulations state that:

"An application in respect of an interconnector licence must specify the actual or proposed point of connection to an electricity transmission or electricity distribution network.. Where the applicant is unable to specify a point of connection the applicant should provide Ordnance Survey Grid References co-ordinates for the proposed point of connection"

The actual or proposed point of connection will be to an electricity substation.

Applicants should note that they must, wherever possible, specify the locations of the actual substations at which the interconnector will be connected to an electricity transmission or distribution network. They should specify one point of connection only for each end of the interconnector. Unless this information is provided the Authority will not be able to grant a licence.

We recognise that in some circumstances it may not be possible to specify the point of connection in Great Britain, for example, where the substation is yet to be built. In such circumstances we would expect licence applicants to indicate why they are unable to specify a point of connection in Great Britain and provide Ordnance Survey Grid References co-ordinates that encompass the proposed point of connection. We would expect the co-ordinates to fully encompass the proposed point of connection, and in most cases, to be provided as a six figure grid reference (i.e. TL 623317), covering 100 square meters. Where this cannot be achieved, it is recommended that a potential applicant contact us to discuss what Ordnance Survey Grid References co-ordinates would be appropriate.

It should be noted that the point of connection or Ordnance Survey Grid Reference co-ordinates specified in the interconnector licence must be the actual point at which the interconnector is connected to an electricity transmission or distribution network. If, for any reason, the interconnector is not built to the connection points specified in the licence,

¹ The Electricity (Applications for Licences, Modifications of an Area and Extensions and Restrictions of Licences) Regulations 2007, SI No 1972.

the licence will not authorise the holder to participate in the operation of that interconnector. In this situation, the licence holder should apply for a new interconnector licence specifying the correct points of connection. We would not generally expect to grant a new licence unless the old licence (with the incorrect connection points) was surrendered, as this licence will not be used.

The Authority is not precluded from granting an interconnector licence in relation to an interconnector where either of the proposed points of connection are the same as that already specified in another interconnector licence. Indeed, as a general rule, the Authority will grant an interconnector licence in this situation.

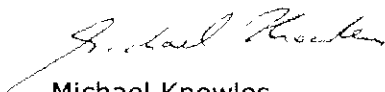
While the Authority can grant an interconnector licence relating to more than one interconnector, as a general rule, the Authority will only grant interconnector licences which specify one interconnector per licence. However, this will be considered on a case by case basis.

It should also be noted that the grant of an interconnector licence only authorises the licensee to participate in the operation of the interconnector specified in the licence. It does not provide the holder with any certainty that it will be able to build and operate an interconnector, simply that it has permission to participate in the operation of the specified interconnector once it has been built. Potential licence applicants should seek their own legal advice on related planning law.

In so far as similar situations may occur in relation to gas interconnectors, the Authority would expect to adopt the same approach as set out above.

Should you have any queries about the issues raised in this letter. Please contact me by email at michael.knowles@ofgem.gov.uk or Tel: 020 7901 7118.

Yours faithfully



Michael Knowles
Head of Licensing