

Modification of NGC's transmission licence

Direction to modify NGC's transmission licence

In accordance with the powers contained in section 11(1) of the Electricity Act 1989 ("the Act") and with the consent of the National Grid Company plc ("NGC"), the Gas and Electricity Markets Authority ("the Authority") has directed a modification to the transmission licence treated as granted to NGC under section 6(1)(b) of the Act with effect on and from 1 April 2002. The direction to modify the licence was issued by the Authority to NGC on 27 March 2002.

Background

On 22 February 2002 the Authority gave notice pursuant to section 11(2) of the Act that the Authority was proposing to modify the conditions of NGC's transmission licence. The notice highlighted that it was the Authority's intention that such amendments to the transmission licence would be deemed to take effect from 1 April 2002.

The Authority proposed the introduction of the following licence conditions and Schedule provisions:

- (1) Special condition AA4: Licensee's Procurement and Use of Balancing Services;
- (2) Special condition AA5: Revenue Restriction Conditions: Definitions;
- (3) Special condition AA5A: Revised Restrictions on Revenue – paragraphs 5 – 12 inclusive of that special condition;
- (4) Special condition AA5E: Duration of the Transmission Network Revenue Restriction and the Balancing Services Activity Revenue Restriction; and
- (5) Schedule A Part B Terms used in the balancing services activity revenue restriction,

in substitution for the existing special licence conditions and Schedule provisions bearing these numbers and titles which shall be deleted.

The section 11(2) notice stated the proposed modifications and their effect and the reasons why the Authority proposed the modifications. The notice invited any representations or objections with respect to the proposed modifications to be made by 22 March 2002. The Authority did receive and has considered representations or objections made to it and not withdrawn. The proposed modifications to the transmission licence remained unchanged following the Authority's consideration of the representations or objections received.

Consequently, having regard to the representations made to the Authority, for the reasons set out in the section 11(2) notice the Authority has directed that the modifications described above shall be made to NGC's transmission licence with effect from 1 April 2002.

Relevant information

A copy of the section 11(2) notice is available on the Ofgem website at the following address:

http://www.ofgem.gov.uk/licensing/section11/ngcsec23feb02_notice.pdf

A copy of the proposed modifications is available on the Ofgem website at the following address:

<http://www.ofgem.gov.uk/licensing/section11/ngcsec23feb02.pdf>