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Dear Michael

Ofgem Consultation on proposals to amend the Licensing Application Regulations

We welcome the opportunity to comment on the proposals Ofgem has brought forward for the amendment of the Gas and Electricity Licence Application Regulations to take account of the changes brought about by the Energy Bill.

We support Ofgem's aim of ensuring that the licensing process and its Regulations are comprehensible, clear and user friendly. To this end, we consider that the approach which Ofgem proposes to adopt, namely the repeal of the existing regulations and replacing them with new Application Regulations for each of electricity and gas, serves this purpose by bringing together the requirements for licence applications in easy to follow documents.

That said, we note that Ofgem recognises that the new Regulations may require further amendment in the light of the formal designation of standard conditions in interconnector licences and in the context of the evolution of policy in relation to the licensing and exemption framework for offshore wind developments. In order to ensure that the regulations remain clear and easy to use, we consider that it would be preferable if the regulations were repealed and re-issued in full when these issues are determined in order to keep all the application requirements "under one roof".

As for the content of the application requirements themselves, we welcome the removal of the requirements to give the precise location of infrastructure which is to be subject to the licence. It appears that questions regarding infrastructure developments are most appropriately dealt with under the licence when it has been granted rather than in the applications themselves.

We note that the draft Regulations requires applicants for some types of licence to state how they will comply with certain "social" licence conditions, for example, in relation disadvantaged customers and consumers. We query whether, in cases where applicants are seeking to engage in licensed activities which will not affect domestic customers, it is appropriate for the applicants to indicate how they will comply with these "social" licence obligations.

This appears to be an unnecessary regulatory burden and we consider that Ofgem should make it clear the requirements to comply with those obligations are only relevant to applicants who will deal with domestic customers and consumers. As a related issue, it appears that, for non-domestic operators, it would be appropriate to incorporate special conditions in the licences granted disapplying the "social" obligations, because of their lack of relevance.

Finally, we consider that the "further information" requirements for an interconnector licence should include a request for information on the extent that the applicant will require powers under

Schedule 3 (compulsory purchase of land etc.) and Schedule 4 (other powers etc.) of the Electricity Act. This is because any interconnector licensee will be highly likely to have assets on land for which it will need such powers under its licence. For clarity, we consider that the references to Schedules 2 and 3 of the Electricity Act in the draft regulations should be changed to references to Schedules 3 and 4.

If you have any queries about the points we have raised in this letter, please do not hesitate to contact me or James Wynn-Evans on 01926 655448.

Yours sincerely

[by email]

Tim Tutton