

For the attention of David Halldearn
Director, Scotland & Europe, Ofgem
via BETTA.consultationresponse@ofgem.gov.uk

Consultation on Scottish Nuclear Site Licence Provisions Agreements

This email is the response by Magnox Electric plc to the above consultation which was issued on 16 February 2005. (Magnox Electric plc is part of the British Nuclear Group, which is the new name for part of BNFL). Magnox Electric owns and operates a number of nuclear power station sites including the Chapelcross site in Scotland. The content of this email is similar to a telephone conversation I had with Simon Street on Monday 28 February.

The consultation document refers to the existing Nuclear Site Licence Provisions Agreements (NSLPA). I can confirm that Magnox Electric has an existing agreement with National Grid Company (NGC) of that name, which is identical to the agreement that British Energy also has with NGC, the two agreements being derived from the original agreement signed by NGC and Nuclear Electric plc in 1990. These agreements have rights and obligations in addition to those in the CUSC. I understand that British Energy has a similar agreement, with a similar name, with Scottish Power Transmission Limited (SPTL), but we are not party to that agreement, and do not know its detailed terms. Contrary to what is stated in the consultation document, there is not a separate NSLPA agreement between Magnox Electric plc or BNFL and SPTL in respect of Chapelcross. Instead, the existing Connection Agreement with SPTL for Chapelcross includes some specific nuclear causes which have somewhat similar effect.

In the spirit of "minimum change for BETTA" we have not asked NGC to extend our existing NSLPA with them to include Chapelcross, nor have we asked for a new separate Scottish NSLPA to cover Chapelcross. Instead we have asked that the new BETTA CUSC Bilateral for Chapelcross should effectively have the benefit of clauses similar in effect to those in our existing Connection Agreement. Since these clauses are similar to CUSC 6.11, it should be fairly straightforward to implement this by ensuring that CUSC 6.11 is applicable to Chapelcross, and we are currently in negotiation with NGC to achieve what we seek.. We do not see that there is any major difficulty here.

Similarly we are in negotiation with SPTL over the wording of the agreement which will replace our existing Connection Agreement with them, with the intent of retaining the effect of the existing nuclear clauses. Initially this agreement will be a modified connection agreement, but the intention is to replace it with an interface agreement based on Exhibit O to the CUSC.

There is a slight issue that CUSC 6.11 has obligations on CUSC parties, but SPTL will not be a CUSC party. However, I believe paragraphs G3.1

to G3.3 of the existing SO-TO code effectively extend that obligation to SPTL as if it was a CUSC party.

Simon Street has suggested to me that in addition, we could choose to name the proposed Chapelcross Interface Agreement in the proposed definition of "Nuclear Site Licence Provisions Agreement " in CUSC section 11. We would then have the benefit of the proposed clauses G3.4 to G3.9 in the SO-TO Code. This is acceptable to us.

We are happy with the proposed wording of the proposed Clauses G3.4 to G3.9 in the SO-TO Code.

Regards

David Ward

Magnox Electric plc
Berkeley Centre
Berkeley
Gloucestershire, GL13 9PB
United Kingdom

Phone: +44 (0)1453 813631
Fax: +44 (0)1453 812845
Mobile: +44 (0)789 906 4052
Email: david.m.ward@magnox.co.uk