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Direct Dial: 020 7901 7412
Email: sonia.brown@ofgem.gov.uk

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Dear Colleague,

Regulatory arrangements for the new Dutch-GB electricity interconnector: the BritNed interconnector

In June 2006, BritNed submitted a formal application to the Authority for an interconnector licence and for an exemption from provisions of the licence which relate to regulated third party access¹ and the EC Regulation 1228/2003 which relate to the use of revenues from the interconnector². On 5 September 2006, Ofgem issued a consultation³ regarding BritNed's application.

Given that the interconnector is between Great Britain and the Netherlands, BritNed has also applied for an exemption to the relevant Dutch authorities. As we are required to ensure appropriate consultation and coordination with the Dutch authorities, we can only issue a decision once we are satisfied the application meets the conditions for both markets.

At this time, we have been advised that the Dutch are awaiting further information from BritNed to evaluate whether the application has satisfactorily met all conditions. By our obligations, we are unable to proceed further until these issues have been resolved, and expect to publish our decision as soon possible thereafter.

If you wish to discuss further, please contact Mattias Bjornfors on 0207 901 7374.

Yours sincerely,

Sonia Brown
Director, Wholesale Markets

¹ Standard Licence Conditions 9, 10 and 11

² Article 6 (6) of the Regulation.

³http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/16677_163_06.pdf?wtfrom=/ofgem/work/index.jsp§ion=/areasofwork/wholesalemarketmonitoring