

taking care of the essentials

Centrica Energy

3 The Square Stockley Park Uxbridge Middlesex UB11 1BG

Tel. (0208) 734 8693 Fax (0208) 734 8640 <u>www.centrica.com</u> Our Ref. Your Ref. 24 January 2007

Sonia Brown Wholesale Markets Ofgem 9 Millbank London SW1P 3GE

Dear Sonia,

Review of Standard Licence Condition 14 and 15 of the Electricity Generation Licence

A number of Centrica's subsidiary companies hold generation licences, some have Licence Condition 14 and 15 'switched on' but a number do not. Centrica agrees with Ofgem's preliminary view that these Licence Conditions should be given effect in all generation licences.

Switching on both conditions will improve consistency amongst electricity generators. It will also improve the efficiency of the process by removing the need for electricity generators to submit an application on a case by case basis and for Ofgem to undertake a consultation on the application received. This will be beneficial for all parties as it will eradicate a process that adds little value without removing the ability of generators to avail themselves of the powers contained within Licence Condition 14 and 15.

In summary Centrica do not believe there are any other options that have not been identified or discussed. Centrica supports Standard Licence Conditions 14 and 15 being switched on in all electricity generation licences.

If you have any questions regarding this response please ring me 0208 734 8693.

Yours sincerely,

Mark Manley Contract Manager