Sonia Brown
Wholesale Markets
Ofgem
9 Millbank
London
SW1P 3GE

Our Reference:
Your Reference: Date : 22nd January 2007

Dear Sonia,

Review of Standard Licence Conditions 14 and 15

Thank you for the opportunity to comment on this consultation.

Of the three options considered, the implementation of Option 2, the removal of SLCs 14 and 15 for all generators, would be unacceptable. Removal of these conditions from existing generators would put into question the existing rights they have to wayleaves and for maintenance of their existing plant. Such a change would cause chaos for the industry. We do not believe that there is any need or justification to implement this option.

We believe that Option 1, giving effect to SLCs 14 and 15 for all generators, is the correct solution. We believe that whilst Option 1 will remove a step in the process, as noted in the consultation, the decision to grant compulsorily purchase powers rests with the Secretary of State. We believe this will provide sufficient comfort that these powers cannot be abused. In addition the implementation of Option 1 will reduce the administrative burden of individual generators applying to Ofgem on an ad hoc basis.

We do not believe that there is any reason for continuing with the existing case-by-case arrangements of Option 3.

Overall, we believe that the optimum solution is to give effect to SLCs 14 and 15 in all generation licences.

Specifically, in relation to the consultation questions:

Question 1:   Are there any options not identified and discussed here?
No. We believe that the three options considered deal with the alternatives available.

Question 2: Do you agree with our preliminary view that SLCs 14 and 15 should be given effect in all electricity generation licences?
Yes.

We hope that you find our comments helpful.

Yours sincerely

Rob McDonald
Director of Regulation