

18th April 2007

Sonia Brown
Director Wholesale Markets
Ofgem
9 Millbank
London SW1P 3GE

Dear Sonia

STATUTORY CONSULTATION ON THE MODIFICATION OF STANDARD LICENCE CONDITIONS 14 & 15 OF THE ELECTRICITY GENERATION LICENCE

British Energy is writing in response to the Ofgem statutory consultation published on 27th March 2007 in respect of the licence modifications required to implement its decision in respect of Standard Licence Conditions (SLCs) 14 and 15 of the Electricity Generation Licence.

British Energy fully supports the decision by Ofgem to give effect to SLC 14 and 15 to all electricity generation licensees by removing the current ‘switch’ mechanism contained within the licence conditions. However, we would like to draw your attention to the need to make further licence modifications over above those set out in the above statutory notice in order to fully implement Ofgem’s decision.

Section D of the Electricity Generation Licence contains supplementary standard conditions for nuclear generators. Within that section are two conditions (D3 and D4) that contain additional provisions in respect of SLC 14 and 15 and in particular make reference to the issuing of directions under those conditions. Consequently, as Ofgem’s proposals remove the provision to issue directions there is a need to make consequential modifications to D3 and D4 as part of implementing Ofgem’s decision proposal on SLC 14 and 15. Attached as an appendix are our suggested changes to Conditions D3 and D4 that reflect the changes proposed for SLC 14 and 15. Furthermore, we note that there is an error in the paragraph numbering of the proposed new SLC 15.

I trust you will find these comments helpful I would be happy to clarify any aspect of our response with you should you wish. Please note that I have also spoken to Magnox Electric, who operate and manage the magnox generation sites on behalf of the Nuclear Decommissioning Authority, who have confirmed their full support to the views set out above.



Yours sincerely

A handwritten signature in black ink, appearing to read 'David Love', with a long horizontal flourish underneath.

David Love
Head of Regulation

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cc. David Ward, Magnox Electric



Appendix 1:

Condition D3. Compulsory Acquisition of Land etc

1. ~~Where the Authority has issued a direction under standard condition 14 (Compulsory Acquisition of Land etc),~~ The powers and rights conferred by or under the provisions of Schedule 3 to the Act shall have effect for the purposes set out in paragraph 72 of ~~that~~ standard condition 14 (Compulsory Acquisition of Land etc) in respect of the licensee's nuclear generation business for the following additional purposes:

- (a) the construction or extension of facilities for the storage treatment or despatch of nuclear fuel or radioactive waste (together with the operational discharge of liquid or gaseous radioactive waste) which arises from generation sets of the licensee; and
- (b) activities connected with the construction or extension or operation of facilities for the storage, treatment or despatch of nuclear fuel or radioactive waste (together with the operational discharge of liquid or gaseous radioactive waste) which arises from generation sets of the licensee.



Condition D4. Other Powers etc

1. ~~Where the Authority has issued a direction under standard condition 15 (Other Powers etc);~~
The powers and rights conferred by or under the provisions of Schedule 4 to the Act, shall (subject to paragraphs 84) of ~~that~~ standard condition 15 (Other Powers etc), have effect in respect of the licensee's nuclear generation business and may be exercised by the licensee carrying out works relating to the installation of electrical plant to be used:
 - (a) in connection with a generating station or facilities for the storage, treatment or despatch of nuclear fuel or radioactive waste (together with the operational discharge of liquid or gaseous radioactive waste) which arises from generation sets of the licensee; or
 - (b) in connection with the operation of such station or facilities.

2. Paragraph 10 of Schedule 4 to the Act shall apply to the licensee if it wishes to exercise its rights of entry on land for the purpose of establishing whether or not the land is suitable for the construction or extension of a generating station or of facilities for the storage, treatment or despatch of nuclear fuel or radioactive waste (together with the operational discharge of liquid or gaseous radioactive waste) which arises from generation sets of the licensee or for use in connection with the decommissioning of a generating station.