

To: All holders of an electricity generation licence

NOTICE OF MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY GENERATION LICENCES UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

1. Each of the companies to whom this Notice is addressed holds an electricity generation licence granted, or treated as granted, pursuant to section 6(1)(a) of the Electricity Act 1989 (the "Act").
2. In accordance with section 11A(3) and (4) of the Act, the Gas and Electricity Markets Authority (the "Authority") gives notice that it proposes to modify the standard conditions of the electricity generation licences by making the modification to standard conditions D3 and D4 set out in the Schedule to this notice.
3. The reason for the proposed licence modification is to make minor and consequential amendments which are necessary as a result of the modification of standard conditions 14 and 15 on 1 May 2007. The modification of standard conditions 14 and 15 gave effect to the powers and rights conferred by or under the provisions of Schedules 3 and 4 to the Act in relation to the holders of all electricity generation licences for the purposes specified in those conditions. Standard conditions D3 and D4 require to be modified so that they are consistent with the removal of the direction making mechanism for giving effect to standard conditions 14 and 15.
4. The Authority also proposes to take the opportunity to correct some typographical errors that are currently contained in standard conditions D3 and D4. In this respect, the proposed licence modification amends standard condition D3 so that it refers to paragraph 2 of standard condition 14; and amends standard condition D4 so that it refers to paragraph 4 of standard condition 15.
5. For the avoidance of doubt, the proposed licence modification does not change the substantive provisions of standard conditions D3 and D4.
6. The background to this proposed licence modification, specifically the reasons for modifying standard conditions 14 and 15, is set out by the Authority in the following documents:
 - (a) Modification of the Standard Conditions of Electricity Generation Licences under section 11A of the Electricity Act 1989, 1 May 2007;
 - (b) "Statutory consultation on the modification of Standard Licence Conditions 14 and 15 of the Electricity Generation Licence", Ofgem March 2007;
 - (c) "Review of Standard Licence Conditions 14 and 15 of the Electricity Generation licence", Ofgem November 2006.

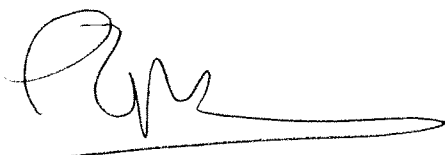
These documents are available free of charge from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE or from the Ofgem website at www.ofgem.gov.uk.

7. Any representations or objections to the proposed licence modification may be made before 31 May 2007 and sent to:

Vanja Munerati
Ofgem
9 Millbank
London SW1P 3GE

or by e-mail to wholesale.markets@ofgem.gov.uk.

8. Only those licensees who are "relevant licence holders" under section 11A(10) of the Act may register their formal objection to the proposed modification; although any person may make representations. For the purposes of this proposed modification, a "relevant licence holder" is a holder of an electricity generation licence with standard conditions D3 and D4 in effect.

A handwritten signature in black ink, appearing to read 'P. Davies', with a long horizontal flourish extending to the right.

Philip Davies
Director – GB Markets
Duly authorised on behalf of the Gas and Electricity Markets Authority

1 May 2007

SCHEDULE

PROPOSED MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY GENERATION LICENCES UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

1. In paragraph 1 of standard condition D3 of the Electricity Generation Licence:
 - (a) for "Where the Authority has issued a direction under standard condition 14 (Compulsory Acquisition of Land etc.), the", substitute "The";
 - (b) for "paragraph 7 of that standard condition", substitute "paragraph 2 of standard condition 14 (Compulsory Acquisition of Land etc.)".

2. In paragraph 1 of standard condition D4 of the Electricity Generation Licence:
 - (a) for "Where the Authority has issued a direction under standard condition 15 (Other Powers etc.), the", substitute "The";
 - (b) for "(subject to paragraphs 8) of that standard condition", substitute ", subject to paragraph 4 of standard condition 15 (Other Powers etc.)".