

**To:**

1. The Company Secretary  
National Grid Electricity Transmission Plc  
Company number: 02366977  
1-3 Strand  
London  
WC2N 5EH
2. The Company Secretary  
SP Transmission Limited  
Company number: SC189125  
1 Atlantic Quay  
Robertson Street  
Glasgow  
G2 8SP
3. The Company Secretary  
Scottish Hydro-Electric Transmission Limited  
Company number: 213461  
Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ

**ELECTRICITY ACT 1989**

**SECTION 11A**

**MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY  
TRANSMISSION LICENCES TREATED AS GRANTED UNDER SECTION  
6(1)(b) OF THE ELECTRICITY ACT 1989**

**NOTICE OF REASONS FOR THE DECISION TO MODIFY THE STANDARD  
CONDITIONS OF ELECTRICITY TRANSMISSION LICENCES UNDER  
SECTION 49A OF THE ELECTRICITY ACT 1989**

**WHEREAS:**

1. Each of the companies to whom this Modification is addressed holds an electricity transmission licence treated as granted pursuant to section 6(1)(b) 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") gave notice on 26 April 2007 (the "Notice") that it proposed to modify the standard conditions of the electricity transmission licences by modifying paragraph 4 of standard licence condition C9 (Functions of the Authority) in the manner set out in the Schedule to this Modification.
3. Prior to the close of the consultation period in respect of the Notice, the Authority received one response in relation to the proposed licence modification. The response was not withdrawn and is available from

Ofgem Research and Information Centre or on the Ofgem website. The Authority has carefully considered the response made in relation to the proposed licence modification.

4. No notice of objection to the proposed licence modification was given to the Authority within the time specified in the Notice by a relevant licence holder.
5. The Authority gave notice of its intention to make the proposed licence modification to the Secretary of State and has not received a direction from the Secretary of State not to make the proposed licence modification.
6. In accordance with section 49A of the Act, the reasons for making the licence modification are set out in the Authority's open letter consultation of 9 February 2007, "Proposed modification of standard licence condition (SLC) C9 ('Functions of the Authority')".
7. A copy of this document are available from the Ofgem Research and Information Centre, 9 Millbank, London SW1P 3GE (020 7901 7003) or the Ofgem website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)).
8. Therefore in accordance with the powers contained in section 11A of the Act, the Authority hereby modifies the standard conditions of electricity transmission licences in accordance with the Schedule to this Modification with effect on and from 18 July 2007.
9. This document also constitutes notice of reasons for the decision to modify the standard conditions of the electricity transmission licences under section 49A of the Act.

**The Official Seal of the Gas and Electricity Markets Authority here affixed  
is authenticated by the signature of**

A handwritten signature in black ink, appearing to read 'Robert Hull', with a horizontal line underneath.

**Robert Hull**  
Director, Transmission Networks  
Authorised on behalf of the Authority

18 July 2007

## SCHEDULE

### MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY TRANSMISSION LICENCES UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

The wording underlined below will be included in paragraph 4 of standard licence condition C9 as set out below.

#### **Condition C9: Functions of the Authority**

4. If in respect of any bilateral agreement or construction agreement entered into pursuant to standard condition C8 (Requirement to offer terms) or standard condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) or this condition either the licensee or other party to such agreement proposes to vary the contractual terms of such agreement in any manner provided for under such agreement, the Authority may, at the request of the licensee or other party to such agreement, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable”