

NOTICE UNDER SECTION 11(2) OF THE ELECTRICITY ACT 1989

The Gas and Electricity Markets Authority (the "Authority") hereby gives notice pursuant to section 11(2) of the Electricity Act 1989 (the "Act") as follows:

1. The Authority proposes to modify the electricity distribution licences treated as granted to Central Networks East Plc (company number 2366923) and Central Networks West Plc (company number 3600574) under section 6(1)(c) of the Act (the "Licences") by inserting (and removing) the words contained in Schedule 1 of this Notice into proposed standard licence condition 42 ("PLC 42") in the manner contained in that schedule.
2. PLC 42 is being proposed as part of a modification under section 11A of the Act to implement the Distribution Licence Review (the "DLR").
3. The effect of the proposed modifications is to ensure that when the section 11A modification to implement the DLR takes effect, the current amendment contained in standard licence condition 39 of the Licences in relation to the restriction on the use of certain information and the independence of the distribution business remains the same.
4. Further reasons for amending PLC 42 can be found in our consultation document – "Electricity Distribution Licence Review: Proposals" (Ref 259/07).¹
5. Any representations or objections to the proposed licence modifications must be made in writing (preferably in electronic form for ease of publication on the Ofgem website) before **29 May 2008** to Nicholas Rubin, Office of Gas and Electricity Markets, 9 Millbank, London SW1P 3GE or by email to: distributionpolicy@ofgem.gov.uk, and if a respondent does not wish its response to be made public, the response should be clearly marked as not for publication.



Rachel Fletcher
Director, Distribution

Date: 29 April 2008

Duly Authorised on behalf of the Authority

¹<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=9&refer=Networks/ElecDist/Policy>

Schedule 1

CONDITION 42 - Independence of the Distribution Business and restricted use of Confidential Information

Amended Paragraphs	Amendments
Paragraphs 42.1 to 42.10	The words "Relevant Licence Holder" in paragraphs 42.1 to 42.10 shall be removed and replaced with the words "Relevant Supplier or Shipper"
Paragraph 42.11	<p>The words:</p> <p>"Relevant Licence Holder means any holder of:</p> <ul style="list-style-type: none">(a) a Supply Licence; or(b) a gas supply licence; or(c) a gas shipper licence, <p>that is also an Affiliate or a Related Undertaking of the licensee."</p> <p>shall be removed and replaced with the words:</p> <p>"Relevant Supplier or Shipper means:</p> <ul style="list-style-type: none">(a) the business of shipping gas of a gas shipper's licence holder; or(b) the business of supplying electricity or gas of an electricity or gas supply licence holder, <p>that is also an Affiliate or a Related Undertaking of the licensee."</p>