

To the Company Secretaries of:

Central Networks East Plc

Company Number 2366923
WESTWOOD WAY
WESTWOOD BUSINESS PARK
COVENTRY
CV4 8LG

Central Networks West Plc

Company Number 3600574
WESTWOOD WAY
WESTWOOD BUSINESS PARK
COVENTRY
CV4 8LG

**MODIFICATION PURSUANT TO SECTION 11 OF THE ELECTRICITY ACT 1989 OF
CERTAIN ELECTRICITY DISTRIBUTION LICENCES GRANTED OR TREATED AS
GRANTED UNDER SECTION 6(1)(C) OF THE ELECTRICITY ACT 1989, AND**

**NOTICE PURSUANT TO SECTION 49A OF THE ELECTRICITY ACT 1989 OF THE
REASONS FOR THE DECISION OF THE GAS AND ELECTRICITY MARKETS
AUTHORITY TO MODIFY THE ELECTRICITY DISTRIBUTION LICENCES**

WHEREAS

1. In accordance with section 11(2) of the Electricity Act 1989 (the "Act"), the Gas and Electricity Markets Authority (the "Authority") gave notice on 29 April 2008 on the Ofgem website (www.ofgem.gov.uk) (the "Notice")¹ that it proposed to modify each of the electricity distribution licences treated as granted under section 6(c) of the Act (the "Licences") to Central Networks East Plc (company number 2366923) and Central Networks West Plc (company number 3600574) (the "Licensees").
2. The Notice proposed to modify standard licence condition 42, which is being proposed as part of a modification under section 11A of the Act to implement the Distribution Licence Review, to ensure that the amendment to standard licence condition 39 in effect prior to 1 June 2008 in relation to the restriction on the use of certain information and the independence of the distribution business continues to have effect.
3. In accordance with section 11(4) of the Act, the Authority gave notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modification.
4. Each of the Licensees has given their consent to the modification of each of their Licences in the manner as set out in the attached Schedule.
5. In accordance with section 49A of the Act, the reasons for the decision of the Authority to make the licence modification changes are contained in the Notice.

NOW THEREFORE

In accordance with its powers under section 11 of the Act the Authority hereby modifies each of the Licences treated as granted to the Licensees under section 6(1)(c) of the Act in the manner contained in the attached Schedule with effect on and from 1 June 2008.

This document also constitutes the notice of reasons under section 49A of the Act for the Authority's decision to modify the Licences.

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=94&refer=Licensing/Work/Notices/ModNotice>

Dated the 30th day of May 2008

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 'Rachel Fletcher', with a large, stylized initial 'R'.

Rachel Fletcher

Director, Distribution

Authorised on behalf of the Gas and Electricity Markets Authority

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>