To the Company Secretary of:

Scottish Hydro Electric Power Distribution Plc Company Number SC213460 INVERALMOND HOUSE 200 DUNKELD ROAD PERTH PH1 3AQ

MODIFICATION PURSUANT TO SECTION 11 OF THE ELECTRICITY ACT 1989 OF CERTAIN ELECTRICTY 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

- 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 the electricity distribution licence treated as granted under section 6(c) of the Act (the "Licence") to Scottish Hydro Electric Distribution Plc (company number SC213460) (the "Licensee").
- 2. The Notice proposed to modify standard licence condition 24, 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 5 in effect prior to 1 June 2008 in relation to the standard of planning and the quality of service 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. The Licensee has given its consent to the modification of its Licence 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 the Licence treated as granted to the Licensee 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 Licence.

Dated the 30th day of May 2008

¹ <u>http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=98&refer=Licensing/Work/Notices/ModNotice</u>

The official seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of

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Rachel Fletcher

Director, Distribution Authorised on behalf of the Gas and Electricity Markets Authority

Schedule 1

Paragraph 1 of standard licence condition 24 shall be amended by the inclusion of the following underlined wording.

Condition 24. Distribution System planning standard and quality of performance reporting

Distribution System planning standard

- 24.1 The licensee must plan and develop its Distribution System in accordance with:
 - (a) a standard not less than that set out in Engineering Recommendation P.2/6 of the Energy Networks Association (as modified by Policy Document PO-PS-037 and the "Distribution Planning: Standards of Voltage and Security of Supply" (dated April 2006) such document having been submitted to the Authority) so far as that standard is applicable to it; or
 - (b) such other standard of planning as the licensee, with the Authority's approval, may from time to time adopt after consulting (where appropriate) with the GB System Operator and any other Authorised Electricity Operator likely to be materially affected.