

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
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COVENTRY
CV4 8LG

EDF Energy Networks (EPN) Plc

Company Number 2366906
40 GROSVENOR PLACE
VICTORIA
LONDON
SW1X 7EN

EDF Energy Networks (LPN) PLC

Company Number 3929195
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VICTORIA
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EDF Energy Networks (SPN) PLC

Company Number 3043097
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Electricity North West Limited

Company Number 2366949
DALTON HOUSE
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BIRCHWOOD
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Energetics Electricity Limited

Company Number: SC234694
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114 Cadzow Street
Hamilton
ML3 6HP

ESP Electricity Limited

Company Number: 04718806
Hazeldean
Station Road
Leatherhead
Surrey
KT22 7AA

Independent Power Networks Limited

Company Number: 04935008
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East Tyndall Street
Cardiff
CF24 5GT

Northern Electric Distribution Limited

Company Number 2906593
LLOYDS COURT
78 GREY STREET
NEWCASTLE UPON TYNE
NE1 6AF

Scottish Hydro Electric Power Distribution Plc

Company Number SC213460
INVERALMOND HOUSE
200 DUNKELD ROAD
PERTH
PH1 3AQ

Southern Electric Power Distribution Plc

Company 4094290
55 VASTERN ROAD
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RG1 8BU

SP Distribution Limited

Company Number SC189125
1 ATLANTIC QUAY
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GLASGOW
G2 8SP

SP Manweb Plc

Company Number 2366937
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PRENTON
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The Electricity Network Company Limited

Company Number: 05581824
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Woolpit
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Western Power Distribution (South Wales) Plc

Company Number 2366985

AVONBANK

FEEDER ROAD

BRISTOL

BS2 0TB

Western Power Distribution (South West) Plc

Company Number 2366894

AVONBANK

FEEDER ROAD

BRISTOL

AVON

BS2 0TB

Yorkshire Electricity Distribution Plc

Company Number 4112320

LLOYDS COURT

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NEWCASTLE UPON TYNE

NE1 6AF

MODIFICATION PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF ALL 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 11A(3) 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 licences granted or treated as granted under section 6(c) of the Act (the "Licences") to all electricity distributors (the "Licensees") by modifying the standard licence conditions and the Authority specified that any representations or objections to the proposed licence modification must be made on or before 29 May 2008.
2. In accordance with section 49A of the Act, the reasons for the decision of the Authority to make the licence modification is to implement changes to the Licences which have been consulted on as part of the Distribution Licence Review to update the style, format and general ease of use of Licences as part of Ofgem's ongoing commitment toward better regulation.
3. Further details of the reasons are set out in the following documents:
 - a. a consultation document entitled – "*Electricity Distribution Licence Review: Proposals*" (Ref 259/07)² on 25 October 2007; and
 - b. an open letter entitled – "*Electricity Distribution Licence Review: Conclusions and Statutory Consultation*" (Ref 50/08)³ on 29 April 2008.
4. In accordance with section 11A(4) of the Act the Authority sent a copy of the Notice on 29 April 2008 to the Licensees, the Secretary of State and energywatch and did not receive by 29 May 2008 or at all, a direction from the Secretary of State not to make any modifications.
5. On 21 May 2008 Ofgem sent a further letter to the Licensees and the Secretary of State informing them that paragraph 40.4, relating to the variation of credit ratings, had been inadvertently omitted from the proposed modifications contained in the Notice and that it intended to insert paragraph 40.4 as an incidental amendment pursuant to section 11A(2) of the Act if the Licensees accepted the modification proposals made under the Notice.
6. By 29 May 2008, the Authority received 11 representations (representing 18 licensees) and no objections⁴.

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=97&refer=Licensing/Work/Notices/ModNotice>

² <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=9&refer=Networks/ElecDist/Policy>

³ <http://www.ofgem.gov.uk/Networks/ElecDist/Policy/Pages/Policy.aspx>

⁴ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=97&refer=Licensing/Work/Notices/ModNotice>

7. The Authority has duly considered all representations, two of which (representing 5 licensees) contained a variety of minor textual revisions that have now been made to the Licences and which the Authority considers improves the overall clarity of the Licences.
8. The Authority has also inserted paragraph 40.4 into the Licences as an incidental amendment under section 11A(2) of the Act.

NOW THEREFORE

In accordance with its powers under section 11A of the Act the Authority hereby collectively modifies the Licences granted or 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.

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', written over a light grey rectangular background.

Rachel Fletcher

Director, Distribution

Authorised on behalf of the Gas and Electricity Markets Authority

Schedule 1

A copy of the licence conditions can be found on Ofgem's website at:

<http://epr.ofgem.gov.uk/index.php?pk=folder100994>