

Consent issued by the Gas and Electricity Markets Authority under paragraph 1 of standard condition E11 (*Credit Rating of Licensee*) of the offshore transmission licence granted under section 6 of the Electricity Act 1989 to TC Robin Rigg OFTO Limited

Whereas:

1. Transmission Capital Partners (a consortium including Transmission Capital, International Public Partnerships and Amber Infrastructure Group) was announced as the preferred bidder for the Robin Rigg offshore transmission project.
2. On 11 February 2011 the preferred bidder became the successful bidder for the Robin Rigg project and the Gas and Electricity Markets Authority (the "**Authority**") determined it would grant an offshore transmission licence to the successful bidder. Consequently, TC Robin Rigg OFTO Limited (the "**Licensee**") is the holder of an offshore transmission licence granted under section 6 of the Electricity Act 1989 (the "**Licence**").
3. Standard condition E11 (*Credit Rating of Licensee*) of the Licence (the "**Condition**") requires the Licensee to maintain an investment grade issuer credit rating or such alternative financial arrangements to which the Authority has given its consent in writing.
4. On 22 February 2011 the successful bidder notified the Authority in writing that it intended to obtain an investment grade instrument credit rating from Fitch Ratings and provided the Authority with an advance copy of an application for the Authority's consent at Licence grant to the alternative credit rating arrangements.

Reasons for the Authority's consent

5. The Authority has considered the request in light of the Licensee's particular circumstances and the extent to which the Licensee's proposals provide comfort over the financial viability of the Licensee.
6. In particular the Authority has considered the differences between instrument and issuer ratings and the impact they would have, for instance on the licensee's ability to access bond finance. The alternative arrangements outlined below are considered to better suit the circumstances of the Licensee by providing it with a proportionate and practical way of complying with the requirements of the Condition.

The Authority hereby gives consent

7. The Authority hereby gives consent under paragraph 1 of the Condition to the following financial arrangements being acceptable alternative financial arrangements for the Licensee in accordance with standard condition E11.
8. The Licensee shall use all reasonable endeavours to ensure that the Licensee maintains at all times an investment grade instrument credit rating provided by Fitch Ratings or another rating agency approved by the Authority.
9. Subject to the following paragraph, an investment grade credit rating is as defined in the Licence.

10. Should a higher rating be specified by Fitch Ratings as its lowest investment grade credit rating then that higher rating is to be taken as the relevant investment grade for the purposes of these alternative arrangements.

Notice of reasons

11. This document also constitutes a notice under section 49A of the Electricity Act of the reasons for the decision of the Authority to give this consent pursuant to the Condition.

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Stephanie McGregor
Director, Offshore Transmission

Duly authorised on behalf of the
Gas and Electricity Markets Authority

Date: 2 March 2011