

Our Ref: Reg/THS
Your Ref:

98 Aketon Road
Castleford
West Yorkshire
WF10 5DS

tel: 01977 605165

email: tony.sharp@northernpowergrid.com

Lawrence Irlam
The Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

23 January 2012

Dear Lawrence

Notice under section 11(2) of the Electricity Act 1989 of proposed modifications to the standard licence conditions of the electricity distribution licences

This is the response of Northern Powergrid Holdings Company and its wholly-owned electricity distribution licensees Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc to the above statutory notice dated 20 December 2011. We fully support the principles behind the proposed modifications but would offer the following suggestions to correct/improve the drafting:

Condition 1

- The definition of 'Export Charges' lacks precision in that 'electricity generated and placed on a Distribution System' could refer to electricity coming onto a distribution system from the transmission system as well as electricity coming onto a distribution system from an embedded generator. This could be avoided by inserting words such as 'via a direct connection to the source of generation' at the end.

Condition 13

- Subparagraph 13.13(a) is redundant as currently worded following the removal of standard condition 50 from the licence on 20 December 2011, and therefore should be modified to refer to standard condition 13A rather than to standard condition 50.
- Paragraph 22A.18 of standard condition 22A is now redundant, setting out as it does what should happen in respect of an event occurring before 1 April 2011, and could usefully be removed from the licence. This in turn should lead to the deletion of the words 'subject to paragraph 22A.18 of standard condition 22A,' from the beginning of subparagraph 13.13(c) of standard condition 13.
- Paragraphs 13.14 and 13.15 are rendered redundant by the change in the rules covering licence modifications that were introduced by the Electricity and Gas (Internal Markets) Regulations 2011. It is no longer necessary for licence-modification powers such as that referenced in paragraph 13.14 to be reserved in this way by the Authority. In any event, the reference to 'paragraph 13.15' in paragraph 13.15 is incorrect (it should have been 'paragraph 13.14').

Condition 13A

- The proposed modification of paragraph 13A.6 currently creates a one-year gap (from 1 April 2012 to 31 March 2013) in respect of provisions relating to export charges. This

could be remedied by inserting the words ‘for the purposes of its Import Charges and from 1 April 2010 to 31 March 2013 for the purposes of its Export Charges’ after ‘from 1 April 2010 to 31 March 2012’ in the first line of subparagraph 13A.6(a).

- In the second and seventh lines of subparagraph 13A.6(a), the word ‘assets’ should be removed, in line with the modifications made by Ofgem on 20 December 2011.
- In the second line of paragraph 13A.10, the word ‘which’ should be removed, in line with the modification made by Ofgem on 20 December 2011.
- In the second line of paragraph 13A.11, the words ‘so far as is consistent with paragraphs 13A.7 to 13A.9’ should be removed, in line with the modification made by Ofgem on 20 December 2011.

Condition 50A

- In paragraph 50A.2, the words ‘(the Import Implementation Date)’ in the fifth line should be moved to appear immediately after the words ‘1 April 2012’ to which they directly refer in the previous line, and the words ‘(the Export Implementation Date)’ in the fifth/sixth lines should similarly be moved to appear immediately after ‘1 April 2013’ in the fifth line.
- In the phrase ‘change control framework’ in paragraph 50A.3, there should be a hyphen between ‘change’ and ‘control’.
- The modification of paragraph 50A.17 as currently proposed would create an obligation to submit the import-charges EDCM, but with no instruction as to where or to whom it should be submitted or why.
- In the third line of paragraph 50A.18, the word ‘which’ should be changed to ‘that’.
- In the first line of paragraph 50A.19, there should be a comma after the word ‘that’.
- In the third line of paragraph 50A.22, the word ‘which’ should be removed, in line with the modification made by Ofgem on 20 December 2011.
- In the fourth line of paragraph 13B.4, the words ‘of standard condition 50A’ are shown in place despite their apparent removal as part of the modifications made by Ofgem on 20 December 2011. It is clearly correct that these words should be so included and that the aforementioned 20 December modification was erroneous.
- The second half of paragraph 13B.4 could be rendered unnecessary, as could the requirement it creates to refer back to a by then superseded version of the licence, by simply including the definition of ‘Associated Licensee’ within condition 13B. This would also be consistent with the repetition in paragraph 13B.6 of the definitions that are currently in force in paragraph 50A.38, which clearly has as its aim to enable standard condition 13B to stand on its own once standard condition 50A ceases to apply.
- The word ‘and’ at the very end of subparagraph 13B.7(c) should be deleted.
- The word ‘which’ at the beginning of the second line of paragraph 13B.11 should be removed, in line with the modification made by Ofgem on 20 December 2011.

I hope that you will find these suggestions helpful, and should be happy to enlarge on any of them should you so wish.

Yours sincerely

Tony Sharp

T H SHARP
Regulation Manager