



All relevant licensees and interested parties

Promoting choice and value for all gas and electricity customers

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Date: 6 February 2013

Dear Colleague,

Modifications to the licence fee payment conditions in gas and electricity licences and other consequential changes

Please find attached modification notices under (as applicable) section 11A(1)(b) of the Electricity Act 1989 and section 23(1)(b) of the Gas Act 1986 relating to the following licence types:

- Electricity Distribution;
- Electricity Generation;
- Electricity Interconnector;
- Electricity Supply;
- Gas Interconnector;
- Gas Shipper;
- Gas Supplier; and
- Gas Transporter.

On 20 December 2012 the Gas and Electricity Markets Authority ("the Authority") gave notice ("the Notice") that it proposed to modify the licence fee payment conditions in each gas and electricity licence, the Ofgem Licence fee principles document (LFPD) as well as Standard Conditions 1, 25 and 31 of the gas and electricity supply licences and Standard Condition 1 of the electricity distribution licence.

Representations to the modification were to be made on or before 23 January 2013. All responses received were carefully considered.

The Authority has decided to proceed with the modifications to the licence fee payment conditions and the LFPD. The attached modification notice/s state:

- i. the effect of the modifications;
- ii. how the Authority has taken account of any representations duly made; and
- iii. the reasons for any differences between the modifications and those set out in the Notice that was published on 20 December 2012.

The modification notice/s have been placed on the Ofgem website. Copies of this letter and notices have been sent to:

- the Secretary of State
- the Welsh Government
- the Scottish Government
- Consumer Focus

- the Health and Safety Executive

A copy of the revised LFPD is also attached. The modifications will come into effect on 3 April 2013.

If you have any queries please contact Gavin Jenkins on 020 7901 7024 or by email (gavin.jenkins@ofgem.gov.uk).

Yours faithfully,

Paul Heseltine
Associate Director Finance and Risk Management