THE ELECTRICITY ACT 1989

NOTICE UNDER SECTION 49A OF REASONS FOR MODIFICATION OF THE TRANSMISSION LICENCE

THE TRANSMISSION LICENCE OF GREATER GABBARD OFTO PLC

- The Gas and Electricity Markets Authority (the 'Authority') granted a transmission licence (the 'Licence') under section 6(1)(b) of the Electricity Act 1989 (the 'Act') to Greater Gabbard OFTO plc (company number 08180541) (the 'Licensee') whose registered office is at Greater Gabbard OFTO plc, 350 Euston Road, London, NW1 3AX on 25 November 2013 authorising it to participate in the transmission of electricity.
- 2. A copy of the Licence is available from the Ofgem Library, 9 Millbank, London, SWIP 3GE (020 7901 7003) or by email from library@ofgem.gov.uk, or can be obtained from the electronic Public Register at http://epr.ofgem.gov.uk/.
- 3. In granting the Licence the Authority modified the standard conditions of the Licence and the modifications (as proposed) are set out in the Notice under Section 8A(3) of the Act that was published on the Ofgem website at https://www.ofgem.gov.uk/publications-and-updates/offshore-transmission-notice-under-section-8a3-electricity-act-1989-greater-gabbard on 26 September 2013.
- 4. In summary the reasons for the modifications are, in relation to:
 - (a) standard condition E12: to omit from the Licence that standard condition which is "Not Used" and instead to add to the Licence amended standard conditions E12-A1 to E12-J11 which provide for the revenue entitlement, performance incentives, business separation requirements, regulatory reporting and other requirements and obligations on the Licensee; and
 - (b) standard condition E13: to ensure that, if a direction under paragraph 5 of standard condition E13 is issued, a reference to a special condition A1 to J11 in the System Operator Transmission Owner Code (the 'STC') or the STC Framework Agreement shall be read in relation to the Licence so as to be consistent with the relevant reference to any of amended standard conditions E12-A1 to E12-J11 of the Licence.

These reasons being set out in documents published on behalf of the Authority including:

- (i) Notice under Section 11A(1)(a) of the Electricity Act 1989 (The Network Innovation Competition), January 2013;
- (ii) <u>Cover letter version 0.7 of the draft generic Offshore Transmission</u> <u>Owner Licence, October 2010;</u>
- (iii) Consultation letter on version 0.6 of the draft generic Offshore Transmission Owner Licence, September 2010;
- (iv) Offshore Electricity Transmission: Final Statement on the Competitive Tender Process, 71/09, June 2009;
- (v) Overview of Great Britain's Offshore Electricity Transmission Regulatory Regime joint DECC-Ofgem statement, 67/09, June 2009;

- (vi) Offshore Electricity Transmission A Joint Ofgem/DECC Regulatory Policy Update, 153/08, November 2008
- 5. No representations to the Notice under Section 8A(3) of the Act were received.
- 6. The Authority is of the opinion that the proposed modifications would not cause the Licensee to be unduly disadvantaged in competing with other transmission licence holders and would not cause any other transmission licence holder to be unduly disadvantaged in competing with other holders of transmission licences (including the Licensee).
- 7. This document constitutes the Notice under section 49A of the Act of the reasons for the Authority's decision to modify the Licence.

Date: 25 November 2013

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Stephen Beel Associate Director, Offshore Transmission

Duly authorised on behalf of the Gas and Electricity Markets Authority