

To:

1. **The Company Secretary**
Blue Transmission London Array Limited
Cannon Place
78 Cannon Street
London
EC4N 6AF
2. **The Company Secretary**
TC Lincs OFTO Ltd
Two London Bridge
London
United Kingdom
SE1 9RA
3. **The Company Secretary**
Gwynt y Môr OFTO plc
350 Euston Road
London
United Kingdom
NW1 3AX
4. **The Company Secretary**
WoDS Transmission plc
The American Barns
Banbury Road
Lighthorne
Warwickshire
United Kingdom
CV35 0AE

DIRECTION UNDER AMENDED STANDARD CONDITION E12 – D1 (OFFSHORE REGULATORY REPORTING) OF THE OFFSHORE TRANSMISSION LICENCES OF BLUE TRANSMISSION LONDON ARRAY LTD, TC LINCS OFTO LTD, GWYNT Y MÔR OFTO PLC AND WODS TRANSMISSION PLC

AND

NOTICE OF REASONS UNDER SECTION 49A OF THE ELECTRICITY ACT 1989

1. Blue Transmission London Array Ltd, TC Lincs OFTO Ltd, Gwynt Y Môr OFTO Plc and Wods Transmission Plc (the 'Licensees') are each the holders of an offshore electricity transmission Licence (the 'Licences') granted by the Gas and Electricity Markets Authority (the 'Authority') under section 6(1)(b) of the Electricity Act 1989 (the 'Act') to participate in the transmission of electricity offshore, subject to the conditions contained in those Licences.
2. The purpose of amended standard condition E12–D1 (Offshore Regulatory Reporting) (the 'Condition') of the Licences is to secure the collection of specified information by the Licensees to an appropriate degree of accuracy so as to enable the Authority to effectively monitor the revenue and costs of the Licensees' consolidated transmission business.
3. In accordance with the Condition, the Authority issues Offshore Transmission Owner Regulatory instructions and guidance (RIGs) relating to licences granted in transitional tender round 2. The latest of which was published on 28 March 2014.
4. Following the consultation process, the Authority published a decision to introduce amended standard condition E12 – D2: Equity Transaction Reporting on 15 October 2014¹. Paragraph 13 of licence condition E12 – D1 allows the Authority by this direction to issue modified RIGs accordingly.
5. The reasons for the decision of the Authority to modify the RIGs are set out in full in the Consultation of E12 – D2. In summary, the modifications are made to enhance the clarity of the existing reporting requirements, provide the Licensees with the information they need in order to comply with the Condition and to ensure the RIGs reflect the Licences.
6. The Authority by this direction issues the modified RIGs comprising the document entitled "Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2" and the accompanying reporting workbook.
7. We have published these modified RIGs alongside this Direction. Licensees are obliged to comply with these modified RIGs which will be applicable for regulatory reporting periods beginning on or after 1 April 2015. They replace the RIGs issued on 28 March 2014.

¹ Available on the Ofgem website at <https://www.ofgem.gov.uk/publications-and-updates/decision-under-section-11a-1-b-electricity-act-1989-modify-offshore-electricity-transmission-licences-so-introduce-amended-standard-condition-e12-d2-equity-transaction-reporting-requirement>

8. The documents mentioned in this Direction are available from the Ofgem Research and Information Centre and on the Ofgem website (www.ofgem.gov.uk).
9. This document also constitutes the notice under section 49A of the Act of the reasons for the Authority's decision to give a direction pursuant to the Condition.



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Stephen Beel
Partner, Competitive Networks

Duly authorised on behalf of the
Gas and Electricity Markets Authority

29 March 2016