

THE ELECTRICITY ACT 1989

NOTICE UNDER SECTION 49A OF REASONS FOR MODIFICATION OF THE TRANSMISSION LICENCE OF HUMBER GATEWAY OFTO LIMITED

1. 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 **Humber Gateway OFTO Limited** (company number: **10053857**) ('the Licensee') whose registered office is situated at 6th Floor Balfour Beatty Investments Limited, 350 Euston Road, London, NW1 3AX, on 6 September 2016 authorising it to participate in the transmission of electricity.
2. A copy of the Licence is available from the Ofgem Library, 9 Millbank, London, SW1P 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/notice-under-section-8a3-electricity-act-1989-humber-gateway> on 21 July 2016.
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 - J12 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 J12 in 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 - J12 of the Licence.
5. These reasons being set out in documents published on behalf of the Authority including:
 - (a) [Decision under Section 11A \(1\) \(a\) of the Electricity Act 1989 to modify offshore electricity licences so as to modify Amended Standard Condition E12-J11: The Network Innovation Competition](#), February 2015;
 - (b) [Decision under Section 11A \(1\) \(b\) of the Electricity Act 1989 to modify offshore electricity transmission licenses so as to introduce Amended Standard Condition E12-D2: Equity Transaction Reporting Requirement](#), October 2014;
 - (c) [Notice under Section 11A\(1\)\(a\) of the Electricity Act 1989 \(The Network Innovation Competition\)](#), February 2013;
 - (d) [Generic Offshore Transmission Owner \(OFTO\) Licence \(Version 3\)](#), October 2014
 - (e) [Decision letter on changes to the availability incentive in version 1.1 of the offshore transmission owner \(OFTO\) licence](#), July 2011;

- (f) [Offshore Electricity Transmission: Final Statement on the Competitive Tender Process](#), June 2009;
- (g) [Overview of Great Britain's Offshore Electricity Transmission Regulatory Regime - joint DECC-Ofgem statement](#), June 2009; and
- (h) [Offshore Electricity Transmission – A Joint Ofgem/DECC Regulatory Policy Update](#), November 2008.

6. No representations to the notice under section 8A(3) of the Act were received.
7. 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).
8. This document constitutes the notice under section 49A of the Act of the reasons for the Authority's decision to modify the Licence.

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Stephen Beel
Partner, Competitive Networks

Duly authorised on behalf of the
Gas and Electricity Markets Authority
6 September 2016