



Grendon Thompson Ofgem Energy Systems Transition Team 10 South Colonnade London E14 4PU

24th July 2018

Dear Grendon

Electricity Act 1989 ("Act") Section 11A (2) – Notice of statutory consultation on a proposal to modify the standard conditions of all electricity transmission licences ("Notice")

This response is provided on behalf of National Grid Electricity Transmission (NGET) in its role as Transmission Owner in England and Wales. A response will not be provided on behalf of National Grid Electricity System Operator (NGESO) as NGESO does not and will not hold a licence until 1st April 2019. NGESO is therefore not currently a relevant licence holder as defined in and for the purposes of section 11A.

In March NGET submitted to the Authority a request for consent under section 7A of the Act to the partial transfer of its transmission licence to NGESO. This request included reference to a small number of proposed licence modifications to all existing transmission licences, (on which the Authority had previously consulted). Such modifications are to be introduced under the section 11A modification process rather than under section 7A as the modifications do not constitute modification conditions for the purpose of section 7A. We have reviewed the schedule (Proposed modifications to Standard licence conditions (SLC)) attached to the above Notice against our submission, and have no comments on the drafting contained therein.

As only the NGET licence (and that of other existing TOs and OFTOs) can be modified under the section 11A process, we would expect, in order for the modifications set out in the Notice to take effect in the NGESO licence once it is in existence, that the section11A modifications proposed in this Notice will, for the purposes of paragraph 7 of the Notice, take effect in the NGET licence (and in other relevant licences currently in existence) contemporaneously with the licence modifications introduced pursuant to section 7A (i.e. at 00:00 on 1/4/19). As a consequence, such modifications that are made under this section 11A Notice (all of them being made to sections A, B and C) will accordingly be mirrored in the transmission licence that is transferred from NGET to NGESO pursuant to section 7A as they will take effect at the point of transfer. We would be happy to discuss these timing issues and associated logistics further if that would be helpful.

Yours sincerely,

Chris Bennett

Director, UK Regulation