



Making a positive difference  
for energy consumers

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**Direction issued to National Grid Electricity Transmission plc (NGET) by the Gas and Electricity Markets Authority (the Authority) pursuant to paragraph 2.2.3 of Section C of the Balancing and Settlement Code (BSC)**

1. Paragraph 2.2.3 of Section C of the BSC provides that "If directed to do so by the Authority, the Transmission Company shall execute and deliver a transfer of the shares of BSCCo to such person as the Authority considers appropriate to succeed to the Transmission Company in the capacity of BSCCo Shareholder for the purposes of the Code, upon payment by or on behalf of such person of an amount equal to the par value of such share or shares; and upon such transfer taking effect the Transmission Company shall be released from all future obligations as BSCCo Shareholder."
2. On 1 April 2019, the system operator functions and consequently the role of the electricity system operator will be transferred from NGET, currently identified as the Transmission Company within the BSC, to National Grid Electricity System Operator Limited (NGESO), upon the partial transfer of NGET's electricity transmission licence to NGESO pursuant to the consent of the Authority. As part of the transfer of the electricity system operator function to NGESO and the related corporate transaction, it is proposed that NGESO shall purchase from NGET the entire share capital of Elexon Limited (the BSCCo as referred to in the BSC).
3. We note that the BSC will be modified to reflect the separation of the electricity system operator and transmission owner functions pursuant to the approved Modification Proposal P369 and that such modifications will take effect from 00:00 hours on 1 April 2019.
4. We consider NGESO to be an appropriate entity to succeed NGET as the BSCCo Shareholder and note that paragraph 2.2.1 of Section C of the BSC as modified by Modification Proposal P369 will recognise NGESO (to be defined as "National Electricity Transmission System Operator" (NETSO) in the BSC) as the registered holder of all of the issued share capital of BSCCo. Accordingly, the Authority hereby directs pursuant to Paragraph 2.2.3 of Section C of the BSC that NGET shall execute and deliver the transfer of the shares of BSCCo to NGESO with effect from 1 April 2019 for an amount equal to the par value of such share or shares.
5. Unless defined herein, capitalised terms shall have the meaning given to them in the BSC.

**Grendon Thompson**  
**Head of SO Regulation**  
**Duly authorised on behalf of the Authority**