

The Company Secretary
National Grid Electricity Transmission plc
(Company Number: 02366977)

ELECTRICITY TRANSMISSION LICENCE

Revocation of consents previously given to National Grid Electricity Transmission plc (“the Licensee”) by the Gas and Electricity Markets Authority (“the Authority”) and no longer required by the Licensee after transfer of the Licensee’s electricity system operator business to a separate licensee, National Grid Electricity System Operator Limited (“NGESO”).

Whereas:

- A. The Licensee, a company registered in England and Wales with company number 02366977 and registered office at 1-3 Strand, London WC2N 5EH, is the holder of an electricity transmission licence (“Licence”) which is treated as granted by the Authority under section 6 (1) (b) of the Electricity Act 1989 (“the Act”).
- B. On 4 September 2018, the Authority consented¹ under section 7A of the Act to the transfer by the Licensee of the parts of the Licence that relate to the system operator business from the Licensee to NGESO, company number 11014226, with effect from 1 April 2019 (“the Transfer”).
- C. The Licensee has informed the Authority that, as a consequence of the Transfer, certain consents previously given to the Licensee by the Authority pursuant to the Licence are no longer required by the Licensee. These consents are as follows:
 - i. Consent under condition B9 (Indebtedness) of the Licence dated 1 June 2012 to allow the Licensee to incur indebtedness in relation to its participation in the Member Default Fund for the N2EX power exchange;
 - ii. Consent under condition B6 (Restriction on Activity and Financial Ring Fencing) of the Licence dated 1 March 2013 allowing the Licensee to hold shares or other investments in Elexon; and
 - iii. Consent under condition C2 (Prohibited Activities) of the Licence dated 1 March 2013 allowing for the purchase or other acquisition of electricity for the purposes of sale or other disposition to third parties by certain named affiliates of the Licensee.

Reasons for the Authority’s decision to revoke consent

- D. Having had regard to its principal objective and statutory and other duties, the Authority is satisfied that these consents are no longer required by the Licensee and can be revoked. The consents listed above are in favour of NGET and as of 1 April 2019, NGET will no longer be carrying out system operator functions and therefore such consents in favour of NGET would no longer be necessary or appropriate.

¹ <https://www.ofgem.gov.uk/publications-and-updates/consent-partially-transfer-electricity-transmission-licence-held-national-grid-electricity-transmission-plc-national-grid-electricity-system-operator-limited>

Now the Authority hereby revokes consent as follows:

1. The Authority hereby revokes the following consents previously granted by the Authority to the Licensee:
 - a. Consent under condition B9 of the Licence dated 1 June 2012 to allow the Licensee to incur indebtedness in relation to its participation in the Member Default Fund for the N2EX power exchange;
 - b. Consent under condition B6 of the Licence dated 1 March 2013 allowing the Licensee to hold shares or other investments in Elexon; and
 - c. Consent under condition C2 of the Licence dated 1 March 2013 allowing for the purchase or other acquisition of electricity for the purposes of sale or other disposition to third parties by certain named affiliates of the Licensee.
2. The consents will cease to have effect from the date of the Transfer.

Notice

This document constitutes notice under section 49A of the Act of the reasons for the Authority's decision to give this direction.

1 April 2019

Grendon Thompson

Head of Electricity SO Regulation

Duly authorised on behalf of the Gas and Electricity Markets Authority