

**Final Terms dated 22 August 2008**  
**Scottish and Southern Energy plc**  
**Issue of £350,000,000 6.25 per cent. Notes due 2038**  
**under the €5,000,000,000**  
**Euro Medium Term Note Programme**

**PART A - CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 13 June 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at [www.londonstockexchange.com/en-gb/pricesnews/marketnews](http://www.londonstockexchange.com/en-gb/pricesnews/marketnews).

<b>1</b>	<b>Issuer:</b>	Scottish and Southern Energy plc
<b>2</b>	(i) <b>Series Number:</b>	2
	(ii) <b>Tranche Number:</b>	1
<b>3</b>	<b>Specified Currency or Currencies:</b>	Pounds Sterling ("£")
<b>4</b>	<b>Aggregate Nominal Amount of Notes:</b>	
	(i) <b>Series:</b>	£350,000,000
	(ii) <b>Tranche:</b>	£350,000,000
<b>5</b>	<b>Issue Price:</b>	99.139 per cent. of the Aggregate Nominal Amount
<b>6</b>	(i) <b>Specified Denominations:</b>	£50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No notes in definitive form will be issued with a denomination above £99,000.
	(ii) <b>Calculation Amount:</b>	£1,000
<b>7</b>	(i) <b>Issue Date:</b>	27 August 2008
	(ii) <b>Interest Commencement Date:</b>	Issue Date
<b>8</b>	<b>Maturity Date:</b>	27 August 2038
<b>9</b>	<b>Interest Basis:</b>	6.25 per cent. per annum Fixed Rate (further particulars specified below)
<b>10</b>	<b>Redemption/Payment Basis:</b>	Redemption at par

- |           |   |   |
|-----------|---|---|
| <b>11</b> | Change of Interest or Redemption/<br>Payment Basis:                   | Not Applicable  |
|           | Put/Call Options:   | Change of Control Put Option<br>(further particulars specified in the attached<br>Schedule) |
| <b>13</b> | (i) Status of the Notes:  | Senior  |
|           | (ii) Date Board committee approval for<br>issuance of Notes obtained: | 19 August 2008  |
| <b>14</b> | Method of distribution:   | Syndicated  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |           |  |  |
|-----------|--|--|
| <b>15</b> | Fixed Rate Note Provisions:  | Applicable   |
|           | (i) Rate of Interest:  | 6.25 per cent. per annum payable annually in<br>arrear |
|           | (ii) Interest Payment Date(s):   | 27 August in each year, commencing 27<br>August 2009   |
|           | (iii) Fixed Coupon Amount:   | £62.50 per Calculation Amount                          |
|           | (iv) Broken Amount(s):   | Not Applicable   |
|           | (v) Day Count Fraction:  | Actual / Actual - ICMA                                 |
|           | (vi) Determination Dates:  | 27 August in each year                                 |
|           | (vii) Other terms relating to the method of<br>calculating interest for Fixed Rate<br>Notes: | Not Applicable   |
| <b>16</b> | Floating Rate Note Provisions:   | Not Applicable   |
| <b>17</b> | Zero Coupon Note Provisions:   | Not Applicable   |
| <b>18</b> | Index-Linked Interest Note/other variable-<br>linked interest Note Provisions:               | Not Applicable   |
| <b>19</b> | Dual Currency Note Provisions:   | Not Applicable   |

**PROVISIONS RELATING TO REDEMPTION**

- |           |                               |   |
|-----------|-------------------------------|---|
| <b>20</b> | Call Option:                  | Not Applicable  |
| <b>21</b> | Change of Control Put Option: | Applicable<br>(further particulars specified in the attached<br>Schedule) |

- 22 Restructuring Event Put Option: Not Applicable
- 23 Final Redemption Amount of each Note: £1,000 per Calculation Amount
- 24 Early Redemption Amount:  
 Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): £1,000 per Calculation Amount
- 25 Indexation: Not Applicable

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 26 Form of Notes: Bearer Notes  
 Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
- 27 New Global Note: No
- 28 Financial Centre(s) or other special provisions relating to payment dates: London
- 29 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): Yes. 27 August 2024.
- 30 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
- 31 Details relating to Instalment Notes: Instalment Amount of each instalment, date on which each payment is to be made: Not Applicable
- 32 Redenomination, renominatisation and reconventioning provisions: Not Applicable
- 33 Consolidation provisions: Not Applicable

34 Other final terms: Applicable  
(further particulars specified in the attached Schedule)

**DISTRIBUTION**

35 (i) If syndicated, names of Managers: Barclays Bank PLC  
BNP Paribas  
Dresdner Bank AG London Branch  
The Royal Bank of Scotland plc

(ii) Stabilising Manager(s) (if any): Not Applicable

36 If non-syndicated, name of Dealer: Not Applicable

37 U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

38 Additional selling restrictions: Not Applicable

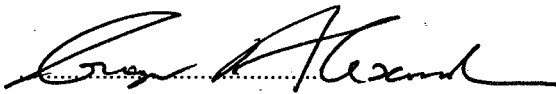
**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange plc's Regulated Market of the Notes described herein pursuant to the €5,000,000,000 Euro Medium Term Note Programme of the Issuer.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:   
Duly authorised

## PART B - OTHER INFORMATION

### 1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from 27 August 2008.
- (ii) Estimate of total expenses related to admission to trading: £3,600

### 2 RATINGS

- Ratings: The Notes to be issued have been rated:  
S & P: A  
Moody's: A2

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### 4 YIELD

- Indication of yield: 6.314 per cent. per annum
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### 5 OPERATIONAL INFORMATION

- ISIN Code: XS0383187720
- Common Code: 038318772
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable
- Delivery: Delivery against payment
- Names and addresses of initial Paying Agent(s): The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL
- Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which No  
would allow Eurosystem eligibility:

## Schedule

For the purposes of the Final Terms dated 22 August 2008 (to which this Schedule is attached), Condition 6(e) shall be deleted and replaced with the following:

(i) If Change of Control Put Option is specified hereon and if, at any time while any of the Notes remains outstanding, a Change of Control occurs and:

A. on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:

- (I) a credit rating from any Rating Agency and there occurs, within the Change of Control Period, a Change of Control Rating Downgrade; or
- (II) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that an event shall be deemed not to be a Change of Control if, notwithstanding the occurrence of a Change of Control Rating Downgrade or a Negative Rating Event, the rating assigned to the Notes by any Rating Agency is subsequently increased to, or, as the case may be, there is assigned to the Notes an investment grade credit rating (BBB-/Baa3 or their respective equivalents for the time being) or better within the Change of Control Period; and

B. in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (I) and (II) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement (the "**Confirmation**"),

then, unless at any time the Issuer shall have given a notice under Condition 6(c) (*Redemption for Taxation Reasons*), the holder of each Note will, upon the giving of a Change of Control Put Event Notice (as defined below), have the option (the "**Change of Control Put Option**") to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) that Note on the date which is seven days after the expiration of the Change of Control Put Period (as defined below) (or such other date as may be specified hereon, the "**Change of Control Put Date**"), at its outstanding principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding shall (subject to being indemnified and/or secured to its satisfaction), give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 17 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option the holder must deposit such Note (together with all unmatured Coupons) with any Paying Agent at its specified office, together with a duly completed option exercise notice (the "**Change of Control Put Exercise Notice**") in the form obtainable from any Paying Agent within 30 days of the Change of Control Put Event Notice being given (or such other put period as may be specified hereon, the "**Change of Control Put Period**"), as applicable. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

If the rating designations employed by any of Moody's or S&P are changed from those which are described in the definition of Change of Control Rating Downgrade below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(e)(*Redemption at the Option of the Noteholders*) shall be construed accordingly.

The Trust Deed provides that the Trustee is under no obligation to ascertain whether a Change of Control Put Event, Change of Control, a Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control has occurred and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary the Trustee may assume without liability to any person for so doing that no Change of Control Put Event, Change of Control, Negative Rating Event or such other event has occurred.

For the purposes of these Conditions:

**"Change of Control"** means the occurrence of an event whereby any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer;

**"Change of Control Period"** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **"Change of Control Put Event"** occurs on the date of the last to occur of (a) a Change of Control, (b) either a Change of Control Rating Downgrade or, as the case may be, a Negative Rating Event and (c) the Confirmation;

a **"Change of Control Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if the then current rating assigned to the Notes by any Rating Agency at the invitation of the Issuer (or where there is no rating from any Rating Agency assigned at the invitation of the Issuer, the then current rating (if any) assigned to the Notes by any Rating Agency of its own volition) is withdrawn or reduced from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, if the Rating Agency shall then have



already rated the Notes below investment grade (as described above), the rating is lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lowering);

a **"Negative Rating Event"** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being) by the end of the Change of Control Period, provided that in either case, there is at least one Rating Agency in operation at such time from whom to obtain such a rating. If there is no Rating Agency so in operation no Negative Rating Event shall be deemed to occur;

**"Rating Agency"** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any of its Subsidiaries and their successors (**"S&P"**) or Moody's Investors Service, Inc. or any of its Subsidiaries and their successors (**"Moody's"**) or any rating agency (a **"Substitute Rating Agency"**) substituted for any of them (or any permitted substitute of them) by the Issuer from time to time with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed); and

**"Relevant Potential Change of Control Announcement"** means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.