

NOTICE UNDER SECTION 8A(3) OF THE ELECTRICITY ACT 1989

The Gas and Electricity Markets Authority ('the Authority') hereby gives notice pursuant to section 8A(3) of the Electricity Act 1989 ('the Act') as follows:

1. An application for a distribution licence ('the Licence') under section 6(1)(c) of the Act has been received by the Authority from EDF Energy (IDNO) Ltd ('the Applicant').
2. If the Authority decides to grant the Licence to the Applicant then the Authority proposes to modify the standard conditions of that licence.
3. The proposed modifications involve the:
 - a. alteration of the definitions of "Permitted Purpose" and "Regulatory Accounts" in standard condition 1 (Definitions for the standard conditions) of the Licence in the manner shown in the Annex hereto;
 - b. alteration of paragraph 4.9 (Prohibition of cross-subsidy) of standard condition 4 (No abuse of the licensee's special position)
 - c. addition to the Licence of a new Section BA which includes amended standard conditions 51 (Regulation of charging arrangements), 52 (Credit rating of the licensee), 53 (Restriction of Indebtedness and transfer of funds), 54 (Specific restriction of activity) 55 (Regulatory Accounts), 56 (Revenue reporting and associated information) and 57 (Cost reporting and associated information).
4. The effect of the modifications is to:
 - a. remove, where appropriate, references to the conditions in Section B of the licence, which are currently not intended to have effect in the licence;
 - b. provide accurate references in the definitions of "Permitted Purpose" and "Regulatory Accounts" in standard condition 1 of the Licence;
 - c. prohibit the Applicant in standard condition 4 (No abuse of the licensee's special position) from giving any cross-subsidy to, or receiving any cross subsidy from any other business of the Applicant or of any affiliate or related undertaking of the Applicant, notwithstanding that the Applicant will not be a Distribution Services Provider (within the meaning given in standard condition 1 of the Licence);
 - d. establish arrangements for the regulation of charging by the Applicant, the credit rating of the Applicant and restriction of indebtedness of the Applicant;
 - e. set out specific provisions to restrict the activity of the Applicant to premises which have been notified to the Authority and in respect of which the Authority has given consent;
 - f. require the licensee to prepare and publish audited Regulatory Accounts and deliver copies of those accounts to the Authority by 31 July each year; and
 - g. specify arrangements for the provision of information by the Applicant to the Authority to facilitate the review and implementation of charge restriction conditions (within the meaning given to 'Charge Restriction Condition' in standard condition 1) applicable to those affiliates or related undertakings of the Applicant which are Distribution Services Providers and in whose Distribution

Services Areas (within the meaning given in standard condition 1 of the Licence) the Applicant distributes electricity.

- h. set out in the Licence, Section BA and the standard conditions contained in it immediately after the Section B conditions (which are not intended to be in effect).

5. The reasons for the modifications are set out in the following documents:

- i. open letters dated 31 May 2002, 16 April 2003 and 24 September 2003 (regulation of new electricity distribution licence holders);
- ii. decision document – July 2005, 176/05 (regulation of independent electricity distribution network operators);
- iii. open letters dated 24 August 2006 and 9 April 2008 (regulatory treatment of new electricity distribution licensees who are affiliates of existing electricity distribution licensees with distribution services areas); and
- iv. open letter dated 16 May 2008 (Application by EDFE (IDNO) Ltd for an electricity distribution licence);

and in summary are:

- a. to define “Permitted Purpose” by reference to the revised format and numbering of the standard conditions of the Licence;
 - b. to prohibit cross-subsidy between the Applicant’s distribution business and any other business of the Applicant or any affiliate or related undertaking of the Applicant;
 - c. to protect the interests of consumers by imposing a relative price control on distribution use of system charges for domestic customers;
 - d. to protect the interests of consumers by providing for effective credit cover requirements and restrictions on indebtedness;
 - e. to protect the interests of consumers by restricting the Applicant’s distribution business (within the meaning given in standard condition 1 (Definitions for the standard conditions) of the distribution licence) to premises which have been notified to the Authority and in respect of which the Authority has given consent;
 - f. to ensure that the Applicant promptly delivers audited Regulatory Accounts to the Authority each year;
 - g. to provide for the reporting of revenue, costs and other information to the Authority so that they can be taken into account in reviewing and implementing the charge restriction conditions applicable to any affiliates or related undertakings of the Applicant which are Distribution Services Providers and in whose Distribution Services Areas the Applicant distributes electricity.
6. A copy of each proposed modification is annexed to this notice, and further copies of the proposed modifications or copies of the open letters and decision document referred to above can be obtained (free of charge) from the Ofgem library, telephone 0207 901 7000, 9 Millbank, London, SW1P 3GE or from the Ofgem website (www.ofgem.gov.uk).
7. Any representations or objections to the proposed modifications must be made on or before 9 September 2008 to the address above and marked for the attention of Paul

Darby or emailed to connections@ofgem.gov.uk and any which are confidential should be marked accordingly.

A handwritten signature in black ink, appearing to read 'Rachel Fletcher', is written over a light grey rectangular background.

Rachel Fletcher
Director, Distribution
Duly Authorised on behalf of the Gas and Electricity Markets Authority
6 August 2008

DATED 6 AUGUST 2008

SECTION A

Condition 1. Definitions for the standard conditions

Substitute modified definitions as follows

| | |
|---------------------|---|
| Permitted Purpose | means the purpose of any or all of the following: (a) the licensee's Distribution Business; (b) any De Minimis Business of the licensee within the limits imposed by paragraphs 8 to 10 of standard condition 29 (Restriction of activity and financial ring-fencing of the Distribution Business); (c) any business or activity of the licensee to which the Authority has given its consent under paragraph 4 of standard condition 29; and where appropriate, without prejudice to the generality of sub-paragraphs (a) to (c), any payment or transaction lawfully made or undertaken by the licensee in accordance with paragraph 3 of standard condition 53 (Restriction of Indebtedness and transfers of funds). |
| Regulatory Accounts | means the accounts of the licensee produced in accordance with standard condition 55 (Regulatory Accounts). |

Condition 4. No abuse of the licensee's special position

Substitute modified paragraph 4.9 as follows

Prohibition of cross-subsidy

- 4.9 The licensee must ensure in carrying on its activities that the Distribution Business does not give any cross-subsidy to, or receive any cross-subsidy from, any other business of:
- (a) the licensee; or
 - (b) any Affiliate or Related Undertaking of the licensee

SECTION BA:

AMENDED STANDARD CONDITIONS FOR EDF ENERGY (IDNO) LTD

Condition 51. Regulation of charging arrangements

Introduction

51.1 The licensee must make, and continue to make, charges available, in accordance with the requirements of this condition, for the provision of Use of System to any Authorised supplier of electricity that uses or wishes to use the licensee's Distribution System to supply electricity to Domestic Customers.

Setting and restriction of charges

51.2 The licensee's Use of System Charges in relation to Domestic Customers may vary according to the Distribution Services Area of the Electricity Distributor within which Domestic Premises are connected to the licensee's Distribution System.

51.3 The licensee must set those Use of System Charges so that, except with the Authority's consent, the standing charge, unit rate, and any other component of the charges does not exceed the Use of System Charges to equivalent Domestic Customers ("the equivalent charges").

51.4 For the purposes of paragraph 51.3, equivalent charges are the Use of System Charges made by the Electricity Distributor which has a Distribution Services Direction that specifies the Distribution Services Area in which the Domestic Premises connected to the licensee's Distribution System are located.

51.5 The Authority may give the licensee a direction that specifies which of the Use of System Charges made by the Distribution Services Provider for the Distribution Services Area mentioned in paragraph 51.4 are relevant for the purposes of determining the equivalent charges.

Procedure for disapplying this condition

51.6 The charging arrangements set out above will remain in force until such time and in such circumstances as are described in paragraphs 51.7 to 51.13.

51.7 The licensee may ask the Authority to consent to the disapplication of this condition (in whole or in part) by giving it a disapplication request made in accordance with paragraph 51.8.

51.8 A disapplication request must:

- (a) be in Writing addressed to the Authority;
- (b) specify the paragraph or paragraphs of this condition to which the request relates; and
- (c) state the date proposed by the licensee (which must not be earlier than the date specified in paragraph 51.9) on and after which the specified paragraph or paragraphs would no longer have effect ("the disapplication date").

51.9 Except with the Authority's consent, no disapplication of this condition following its receipt of a disapplication request under paragraph 51.7 may have effect until whichever is the later of:

- (a) a date not less than 18 months after delivery of the disapplication request; and
- (b) 31 March 2011.

51.10 The licensee may withdraw a disapplication request at any time.

Licensee's right to disapply this condition

51.11 If the licensee has given the Authority a disapplication request under paragraph 51.7, it may subsequently give the Authority a Notice that terminates the application of this condition or the part or parts of it specified in the request:

- (a) in the circumstances described in paragraph 51.12, with effect from either the disapplication date or such earlier date to which the Authority has given its consent under paragraph 51.9; or
- (b) in the circumstances described in paragraph 51.13, with effect from the disapplication date, so long as the licensee gives Notice within 30 days after the publication of the report mentioned in that paragraph.

51.12 The circumstances described in this paragraph are these:

- (a) the Authority has not made a reference to the Competition Commission under section 12 of the Act relating to the modification of this condition as specified in the disapplication request before the beginning of the period of 12 months which will end with the disapplication date; and
- (b) the licensee has not withdrawn its request.

51.13 The circumstances described in this paragraph are these:

- (a) the Competition Commission has made a report on a reference made by the Authority relating to the modification of this condition as specified in the licensee's disapplication request; and
- (b) the Commission's report does not find that the ending of the charging arrangements in this condition, in whole or in part, would operate or might be expected to operate against the public interest.

Condition 52. Credit rating of the licensee

Licensee's obligation

52.1 The licensee must take all appropriate steps within its power to ensure that at all times it maintains an Investment Grade Issuer Credit Rating (which is to be interpreted in accordance with the provisions of paragraphs 52.2 to 52.4) or such arrangements as the Authority considers appropriate and has approved.

Meaning of Issuer Credit Rating

52.2 For the purposes of paragraph 52.1, an Issuer Credit Rating is any of the following:

- (a) an issuer rating by Standard & Poor's Ratings Group or any of its subsidiaries; or
- (b) an issuer rating by Moody's Investors Services Inc or any of its subsidiaries; or
- (c) an issuer senior unsecured debt rating by Fitch Ratings Ltd or any of its subsidiaries; or
- (d) a rating which, in the Authority's opinion given by Notice to the licensee, is equivalent to any of those specified in sub-paragraph (a), (b) or (c) and is issued by:
 - (i) any of the credit rating agencies referred to in those sub-paragraphs, or
 - (ii) any other reputable credit rating agency which, in the Authority's opinion given by Notice to the licensee, has comparable standing in both the United Kingdom and the United States of America.

Meaning of Investment Grade

52.3 An Investment Grade, in relation to any Issuer Credit Rating within the meaning of paragraph 52.2, is any of the following:

- (a) an issuer rating of not less than BBB- by Standard & Poor's Ratings Group or any of its subsidiaries; or
- (b) an issuer rating of not less than Baa3 by Moody's Investors Service Inc or any of its subsidiaries; or
- (c) an issuer senior unsecured debt rating of not less than BBB- by Fitch Ratings Ltd or any of its subsidiaries; or
- (d) a rating which, in the Authority's opinion given by Notice to the licensee, is equivalent to any of those specified in sub-paragraph (a), (b) or (c) and is issued by:
 - (i) any of the credit rating agencies referred to in those sub-paragraphs, or
 - (ii) any other reputable credit rating agency which, in the Authority's opinion given by Notice to the licensee, has comparable standing in both the United Kingdom and the United States of America.

Condition 53. Restriction of Indebtedness and transfers of funds

General prohibition

53.1 In addition to complying with the requirements of standard condition 26 (Disposal of Relevant Assets), the licensee must not, without the consent of the Authority following the licensee's disclosure of all material facts, enter into any transaction or commitment of a type described or referred to in this condition that does not comply with the restrictions applicable to it under this condition.

Part A: Restricted Category 1

53.2 The licensee must not create or continue or permit to remain in effect any mortgage, charge, pledge, lien or other form of security or encumbrance, or undertake any Indebtedness to any other person, or enter into any guarantee or any obligation, except in accordance with all of the following requirements:

- (a) the transaction in question must be on an arm's length basis;
- (b) it must be on normal commercial terms;
- (c) it must be for a Permitted Purpose; and
- (d) if it is within the ambit of standard condition 26 (Disposal of Relevant Assets), it must comply with the requirements of that condition.

Part B: Restricted Category 2

53.3 The licensee must not transfer, lease, license, or lend any sum or sums, asset, right, or benefit to any Affiliate or Related Undertaking of the licensee except by way of any of the following transactions:

- (a) a dividend or other distribution out of distributable reserves; or
- (b) a repayment of capital; or
- (c) a payment properly due for any goods, services, or assets provided on an arm's length basis and on normal commercial terms; or
- (d) a transfer, lease, licence, or loan of any sum or sums, asset, right, or benefit that is on an arm's length basis, on normal commercial terms, and is made in compliance with the payment condition described in paragraph 53.4; or
- (e) a repayment of, or payment of interest on, a loan that is not prohibited by paragraph 53.2; or
- (f) payments for group corporation tax relief or for the surrender of Advance Corporation Tax calculated on a basis not exceeding the value of the benefit received; or
- (g) an acquisition of shares or other investments that is in conformity with paragraphs 2 and 3 of standard condition 29 (Restriction of activity and financial ring-fencing of the Distribution Business) and is made on an arm's length basis and on normal commercial terms.

53.4 The payment condition referred to in paragraph 53.3(d) is that the consideration due in respect of the transaction in question must be paid in full when the transaction is entered into unless either:

- (a) the counter-party to the transaction has and maintains until payment is made in full an Investment Grade Issuer Credit Rating; or
- (b) the obligations of the counter-party to the transaction are fully and unconditionally guaranteed throughout the period during which any part of the consideration remains outstanding by a guarantor which has and maintains an Investment Grade Issuer Credit Rating.

53.5 The provisions of this Part B are subject to the provisions of Part C below.

Part C: Circumstances that trigger the provisions of Part D

53.6 The following paragraphs of this Part C set out each of the circumstances in which the licensee must not, except with the Authority's consent, enter into or complete any transaction of a type described or referred to in Part B except in accordance with the provisions of Part D below.

53.7 The circumstance described by this paragraph is that the licensee does not hold an Investment Grade Issuer Credit Rating.

53.8 The circumstance described by this paragraph is that the licensee holds more than one Issuer Credit Rating and one or more of the ratings so held is not Investment Grade.

53.9 The circumstance described by this paragraph is that the licensee holds an Issuer Credit Rating that is BBB– by Standard & Poor's Ratings Group or Fitch Ratings Ltd, or is Baa3 by Moody's Investors Service Inc, or is such higher Issuer Credit Rating as may be specified by any of those credit rating agencies from time to time as the lowest Investment Grade credit rating, or is an equivalent rating from another agency that has been notified to the licensee by the Authority as of comparable standing for the purposes of standard condition 52 (Credit rating of the licensee), and:

- (a) the rating in question is under review for possible downgrade; or
 - (b) the licensee is on Credit Watch or Rating Watch with a negative designation;
- or, where neither sub-paragraph (a) nor (b) applies:
- (c) the licensee's rating outlook, as specified by any credit rating agency referred to in this paragraph 53.9 which at the relevant time has assigned the lower or lowest Investment Grade Issuer Credit Rating held by the licensee, has been changed from stable or positive to negative.

Part D: Restricted Category 3

53.10 Where any of the circumstances described or referred to under Part C applies, the licensee may not, without the consent of the Authority following the licensee's disclosure of all material facts, transfer, lease, license, or lend any sum or sums, asset, right, or benefit to any Affiliate or Related Undertaking of the licensee except by way of any of the following transactions:

- (a) a payment properly due for any goods, services, or assets in relation to commitments entered into before the date on which the relevant circumstance under Part C arose, and which are provided on an arm's length basis and on normal commercial terms; or
- (b) a transfer, lease, licence, or loan of any sum or sums, asset, right, or benefit on an arm's length basis, on normal commercial terms, and where the value of the consideration due in respect of the transaction in question is payable wholly in cash and is paid in full when the transaction is entered into; or
- (c) a repayment of, or payment of interest on, a loan that is not prohibited by paragraph 53.2 and which was contracted before the date on which the relevant circumstance under Part C arose, provided that such payment is not made earlier than the original due date for payment in accordance with its terms; or
- (d) payments for group corporation tax relief or for the surrender of Advance Corporation Tax calculated on a basis not exceeding the value of the benefit received, so long as the payments are not made before the date on which the amounts of tax thereby relieved would otherwise have been due.

Part E: Restricted Category 4

53.11 Subject to paragraph 53.12, the licensee must not:

- (a) enter into any agreement or incur any commitment that incorporates a Cross-Default Obligation; or
- (b) continue or permit to remain in effect any agreement or commitment that incorporates a Cross-Default Obligation subsisting at the date on which this condition takes effect in this licence.

53.12 The licensee may permit any Cross-Default Obligation in existence at the date mentioned in paragraph 53.11(b) to remain in effect for a period of not more than 12 months from that date, so long as:

- (a) the Cross-Default Obligation is referable solely to an instrument that relates to the provision of a loan or other financial facilities granted before that date; and
- (b) the terms on which those facilities have been made available as at that date are not varied or made more onerous.

53.13 Nothing in paragraph 53.11 or 53.12 prevents the licensee from giving any guarantee that is permitted by and compliant with the requirements of Part A.

Part F: Variation of provision

53.14 Where the licensee has obtained the Authority's consent to the use of alternative arrangements under paragraph 1 of standard condition 52 (Credit rating of the licensee):

- (a) the provisions of Part C will not apply to the licensee; but
- (b) if those alternative arrangements are not maintained in accordance with any conditions imposed by the Authority when it gave its consent, the licensee must then not, without the Authority's consent, enter into or complete any transaction of a type described or referred to in paragraph 53.3 except in accordance with the provisions of Part D.

Part G: Interpretation

53.15 In this condition:

Cross-Default Obligation means a term of any agreement or arrangement under which the licensee's liability to pay or repay any debt or other sum arises or is increased or accelerated, or is capable of arising or increasing or of being accelerated, because of a default (however it may be described or defined) by any person other than the licensee, unless:

- (a) that liability can arise only as the result of a default by a Subsidiary of the licensee;
- (b) the licensee holds a majority of the voting shares in that Subsidiary and has the right to appoint or remove a majority of its board of directors; and
- (c) that Subsidiary carries on business only for a purpose within sub-paragraph (a) or (b) of the definition of Permitted Purpose set out in standard condition 1 (Definitions for the standard conditions).

Investment Grade has the meaning given in standard condition 52 (Credit rating of the licensee).

Issuer Credit Rating has the meaning given in standard condition 52 (Credit rating of the licensee).

Condition 54. Specific restriction of activity

- 54.1 The licensee must not procure or adopt, or distribute electricity through, any assets which would be Relevant Assets except where the information listed in paragraph 54.2 in relation to those assets has been provided to the Authority and the Authority has given its consent (which may not be unreasonably withheld).
- 54.2 The information referred to in paragraph 54.1 is:
- (a) the name (if any) of the premises on which, or in connection with which, the assets will be installed or, if there is no name, a description of the premises in sufficient detail for its identification; and
 - (b) a map depicting the land area on which the assets will be installed on a scale of 1 : 50,000 or larger; and
 - (c) the name of any person (including a corporate person) who is or has been party to any contract for the construction or provision of, or the distribution of electricity through, those assets unless that person is an Electricity Supplier.
- 54.3 Nothing in this condition prevents the licensee from procuring or adopting, or distributing electricity through, additional Relevant Assets forming part of the same premises for which a consent under this condition has already been given unless such assets fall outside the scope of the information provided under paragraph 54.2 in relation to that consent.

Condition 55. Regulatory Accounts

Application and purpose

- 55.1 This condition applies for the purpose of ensuring that the licensee:
- (a) prepares and Publishes Regulatory Accounts within the meaning of paragraph 55.5; and
 - (b) maintains (and ensures that any Affiliate or Related Undertaking of the licensee maintains) such accounting records, other records, and reporting arrangements as are necessary to enable the licensee to comply with that obligation.

Preparation of Regulatory Accounts

- 55.2 For the purposes of this condition, but without prejudice to paragraph 55.7, the licensee must prepare Regulatory Accounts for each Regulatory Year.
- 55.3 Except and so far as the Authority otherwise consents, the licensee must comply with the obligations imposed by paragraphs 55.4 and 55.5 in relation to the preparation of Regulatory Accounts.
- 55.4 The licensee must keep or cause to be kept, for a period approved by the Authority that is not less than the period referred to in section 388 of the Companies Act 2006 and in the manner referred to in that section, such accounting and other records as are necessary to ensure that all of the revenues, costs, assets, liabilities, reserves, and provisions of, or reasonably attributable to, each of the Distribution Business Activities of the licensee are separately identifiable as such in those records (and in those of any Affiliate or Related Undertaking of the licensee).
- 55.5 The Regulatory Accounts are to be prepared on a consistent basis derived from the accounting and other records referred to in paragraph 55.4 and must comprise:
- (a) a profit and loss account (or, as appropriate, an income statement);
 - (b) a statement of total recognised gains and losses (or, as appropriate, a statement of changes in equity and, if appropriate, a statement of recognised income and expense);
 - (c) a balance sheet;
 - (d) a cash flow statement
 - (e) a Corporate Governance Statement
 - (f) a Directors' Report; and
 - (g) a Business Review,
- together with related notes and statements of the accounting policies adopted.

55.6 In addition to the requirements contained in paragraph 55.5, the licensee must ensure that the audited accounts prepared for delivery to the Authority include segmented data for all reported amounts in those accounts, for the purposes of which each segment is to be treated as the Distribution Services Area of any Affiliate or Related Undertaking of the licensee that is a Distribution Services Provider.

Consistency with the statutory accounts

55.7 Regulatory Accounts prepared in respect of a Regulatory Year under paragraphs 55.5 and 55.6 must, so far as is reasonably practicable and except with the Authority's approval, having regard to the purposes of this condition:

- (a) have the same content and format as the most recent or concurrent statutory accounts of the licensee prepared under sections 394, 395 and 396 or, where appropriate, section 397 of the Companies Act 2006; and
- (b) comply with all relevant accounting and reporting standards currently in force that have been issued or adopted by the Accounting Standards Board or, if the Regulatory Accounts have been prepared under section 397 of the Companies Act 2006, by the International Accounting Standards Board.

Audit and delivery of Regulatory Accounts

55.8 Unless the authority otherwise consents, the licensee must:

- (a) procure an audit by an Appropriate Auditor of such parts of its Regulatory Accounts and the Directors' Report and Business Review as are specified in the Companies Act 2006 as being required to be so audited as if the licensee were a Quoted Company and they were the licensee's statutory accounts drawn up to 31 March and prepared under sections 394, 395 and 396 or, as appropriate, section 397 of the Companies Act 2006
- (b) procure a report by that auditor, addressed to the Authority, that states whether in his opinion those accounts fairly present the licensee's financial position, financial performance, and cash flows in accordance with the requirements of this condition; and
- (c) deliver those accounts, the auditor's report required under paragraph 55.8(b), and the auditor's report mentioned in paragraph 55.9(b) to the Authority as soon as is reasonably practicable and in any event before the date of their publication under paragraph 55.11.

Requirement of appropriate European Directive

55.9 The licensee must take all appropriate steps within its power to procure:

- (a) that the audit referred to in paragraph 55.8(a) verifies whether the duty to avoid discrimination and cross-subsidies specified in Article 19 of Directive 2003/54/EC of the European Parliament and the European Council of 26 June 2003 has been respected by the licensee; and
- (b) that the Appropriate Auditor reports separately on that matter from his report under Paragraph 55.8(b) addressed to the Authority.

Terms of appointment of Appropriate Auditor

55.10 For the purposes of paragraphs 55.8 and 55.9, the licensee must, at its own expense, enter into a contract of appointment with an Appropriate Auditor which includes a term requiring that the audit of the licensee's Regulatory Accounts must be conducted by that auditor in accordance with all such relevant auditing standards in force on the last day of the Regulatory Year to which the audit relates as would be appropriate for accounts prepared in accordance with either section 394 or 397 of the Companies Act 2006.

Publication and provision of Regulatory Accounts

55.11 Unless the Authority after consulting with the licensee directs otherwise, the licensee must publish its Regulatory Accounts:

- (a) as a stand-alone document in accordance with this condition;
- (b) by 31 July after the end of the Regulatory Year to which the accounts relate;
- (c) on, and in a way that is readily accessible from, its Website (if it has one); and
- (d) in any other manner which the licensee believes will ensure adequate publicity for the accounts.

55.12 A copy of the Regulatory Accounts must be provided free of charge to:

- (a) the Consumer Council, no later than the date on which the accounts are published; and
- (b) any person who requests a copy

Interpretation

55.13 For the purposes of this condition:

References in this paragraph 55.13 to anything that is required to be done by a Quoted Company are references to a requirement on the licensee to do that thing, under this condition, whether or not it is a Quoted Company.

Business Review means a review that has, in relation to the licensee, the coverage and content of the business review that a Quoted Company is required to prepare under section 417 of the Companies Act 2006.

Corporate Governance Statement means a statement that has, in relation to the licensee, the coverage and content of the corporate governance statement that a Quoted Company is required to prepare under the Combined Code on Corporate Governance issued under the Financial Services Authority's listing rules and interpretations on corporate governance.

Directors' Report means a report that has, in relation to the licensee, the coverage and content of the directors' report that a Quoted Company is required to prepare under Sections 234 and 234ZZA of the Companies act 1985 and section 417 of the Companies Act 2006.

Distribution Business Activities means those activities of the licensee which separately
Comprise the following:

- (a) the services provided by the licensee as part of its Distribution Business (other than those falling within the next two sub-paragraphs);
- (b) the services provided by the licensee as Excluded Service;
- (c) the services provided by the licensee as Metering services; and
- (d) any services provided by the licensee as De Minimis Business

Quoted Company has the meaning given in section 385 of the Companies Act 2006.

Condition 56. Reporting of revenue information and associated information

56.1 This condition requires the licensee to collect and provide the Authority with revenue information and associated information on a common basis with those of its Affiliates or Related Undertakings that are Distribution Services Providers in such manner as will enable the Authority to monitor compliance by those Affiliates or Related Undertakings with the Charge Restriction Conditions of their licences.

Licensee's obligation

56.2 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:

- (a) to measure and record the revenue information and associated information specified in the Schedule of Revenue Information ("the Schedule") set out at Appendix 1, which is part of this condition; and
- (b) to provide that information to the Authority in respect of such periods and within such timeframes as are specified in that Schedule.

56.3 In fulfilling its obligations under paragraph 56.2, the licensee must, wherever appropriate, act in accordance with the most recent version of the Authority's Revenue Reporting RIGs, as defined in standard condition 33 of the Electricity Distribution licence held by a Distribution Services Provider.

Requirements for audit of information

56.4 Whenever revenue information is provided using Template A of the Revenue Reporting RIGs in accordance with the requirements of the Schedule, the licensee must ensure that this submission of information is accompanied by a report addressed to the Authority from an Appropriate Auditor that states whether in his opinion:

- (a) the information provided has been properly prepared; and
- (b) the amounts presented are in accordance with the licensee's records maintained by virtue of paragraph 56.2.

56.5 The licensee must ensure that the report from the Appropriate Auditor under paragraph 56.4 is accompanied by a letter from that auditor to the Authority that details the procedures that he has followed in reaching his opinion.

56.6 For the purposes of paragraph 56.4, the licensee must at its own expense enter into a contract of appointment with the Appropriate Auditor which includes a term that requires the audit to be conducted in accordance with all such relevant auditing standards in force on the last day of the year to which the audit relates as would be appropriate.

56.7 The licensee must co-operate fully (and must ensure, so far as it can, that any Affiliate or Related Undertaking of the licensee co-operates fully) with the Appropriate Auditor so as to enable him to complete and report to the Authority on any audit carried out in accordance with paragraph 56.4.

Restatement of information

- 56.8 The licensee must take all appropriate steps within its power to ensure that information provided to the Authority for the purposes of this condition in relation to any given Regulatory Year using Template A of the Revenue Reporting RIGs is not restated after the date on which that information has been so provided except where restatement is necessary in the opinion of the Appropriate Auditor.
- 56.9 For the purposes of this condition, **Appropriate Auditor** means, for as long as the licensee is a company within the meaning of section 1 of the Companies Act 2006, a person duly appointed as auditor under Chapter 2 of Part 16 of that Act.

Appendix 1: Schedule of revenue information

- A1. As provided for at paragraph 56.2, this Schedule details the revenue information and associated information that the licensee must measure and record under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.

Meaning of revenue information and associated information

- A2. For the purposes of this condition, revenue and associated information means such items referred to in the Revenue Reporting RIGs as the Authority considers are necessary to monitor, to an appropriate degree of accuracy, compliance by any Affiliate or Related Undertaking of the licensee that is a Distribution Services Provider with the Charge Restriction Conditions of its licence, and will include these items:
- (a) a breakdown of revenue from demand Use of System Charges and associated information;
 - (b) a breakdown of revenue from generation Use of System Charges and associated information;
 - (c) a breakdown of revenue from other charges;
 - (d) numbers of units distributed and total distribution losses.

Collection periods and reporting timeframes

- A3. Information specified under this Schedule must be collected in respect of the period comprising each Regulatory Year.
- A4. Revenue and associated information collected in accordance with this Schedule must be provided to the Authority as follows:
- (a) in the case of finalised information and totals relating to the whole of each Regulatory Year: by no later than 31 July in the next Regulatory Year, making use of Template A in the Revenue Reporting RIGs for the purpose of such reporting; and
 - (b) in the case of forecast information relating to each Regulatory Year: by no later than 31 October of the relevant Regulatory Year in respect of the licensee's estimates made after 31 July of that year, making use of Template B in the Revenue Reporting RIGs for the purpose of such reporting.

Condition 57. Cost reporting information and associated information

57.1 This condition requires the licensee to collect and provide the Authority with cost reporting information and associated information, on a common basis with each of the licensee's Affiliates or Related Undertakings that is a Distribution Services Provider, in such manner as will enable the Authority to review or modify the Charge Restriction Conditions in the licence held by each such Distribution Service Provider.

Preparation and delivery of information

57.2 Except and so far as the Authority otherwise consents, the licensee must prepare cost reporting information and associated information in respect of each Regulatory Year:

- (a) derived from appropriate accounting and other records and on a basis consistent with that used by those of its Affiliates or Related Undertakings that are Distribution Services Providers; and
- (b) wherever appropriate, in accordance with the most recent version of the Authority's Cost Reporting RIGs, as defined in standard condition 33 of the Electricity Distribution licence held by a Distribution Services Provider.

57.3 The cost reporting information and associated information referred to in paragraphs 57.1 and 57.2 must be provided both in an aggregated form and in a form that is disaggregated by reference to the Distribution Services Area of each of the licensee's Affiliates or Related Undertakings that is a Distribution Services Provider.

57.4 Except and so far as the Authority otherwise consents, the licensee must deliver cost reporting information and associated information prepared in accordance with paragraphs 57.1 to 57.3 to the Authority as soon as is reasonably practicable, and in any event not later than 31 July after the end of the Regulatory Year to which such information relates.

Requirements for review of information

57.5 The Authority may review, or arrange for a person nominated by the Authority ("a Reviewer") to review, any matters in the cost reporting information and associated information in respect of which the Authority requires clarification.

57.6 Subject to paragraph 57.8, the licensee must give the Authority or (as the case may be) the Reviewer all such assistance as it or he may reasonably require for the purposes of any review carried out under paragraph 57.5.

57.7 The licensee's obligation to assist the Authority or a Reviewer under paragraph 57.6 includes an obligation to ensure, so far as it can, that the following persons also assist the Authority or a Reviewer:

- (a) any Affiliate or Related Undertaking of the licensee;
- (b) any person by whom the licensee procures the performance of any obligation imposed by or under this condition; and
- (c) any auditor of such person, or of the licensee, or of any Affiliate or Related Undertaking of the licensee.

- 57.8 The licensee is not required to perform its obligations in relation to a Reviewer and his functions unless the Reviewer has entered into an agreement with the licensee to maintain confidentiality on reasonable terms.
- 57.9 The Cost Reporting RIGs may specify which (if any) of the cost reporting information and associated information provided to the Authority under this condition is to be subject to publication by the Authority (having particular regard to section 105 of the Utilities Act 2000).

Requirements for new or more detailed information

- 57.10 Where any modification of the Cost Reporting RIGs relates to the introduction of a requirement to provide:
- (a) a new category of information; or
 - (b) an existing category of information to a greater level of detail,

and such information has not previously been collected by the licensee, it will be acceptable for the licensee to provide estimates to the Authority in respect of the relevant category of information, for the Regulatory Year in which the modification is made and for any preceding Regulatory Year, derived from such other information available to the licensee as may be appropriate.