

Annex 2: Explanation of Authority's determination under paragraph 7 of Special Licence Condition G – East Midlands Electricity Distribution plc

The examiner (Mott MacDonald and British Power International) found that East Midlands Electricity Distribution plc's data for both the number and duration of interruptions were not below the minimum overall and LV levels of accuracy specified in the Regulatory Instructions and Guidance ("the RIGs"). Accordingly, no action was necessary under paragraph 8 of Special Condition G ("the Condition") of a licence treated as granted to EME under section 6(1)(c) of the Electricity Act 1989.

Under the mechanism set out in paragraph 7 of the Condition the (interim) targets TA_t and TB_t for the years 2002/3 and 2003/4 are the higher of:

- $CIIS_t$ and $CMLIS_t$ respectively for the year 2001/2; and
- TA_t and TB_t respectively for 2004/5 set out in Annex A of the Condition.

The respective values of $CIIS_t$ and $CMLIS_t$ for the year 2001/2 were 78.82 and 92.73.

The targets are therefore determined under paragraph 7 of the Condition to be as follows:

- TA_t for 2002/3 and 2003/4 is 81.3; and
- TB_t for 2002/3 and 2003/4 is 92.73.

Revised Annex A

Relevant year Commencing:	1 April 2002	1 April 2003	1 April 2004
TA_t	81.3	81.3	81.3
IRA_t (£ million 2000/01 prices)	0.05	0.09	0.09
RLA_t	0.25	0.5	0.5
RLOPA			0.6
TB_t	92.73	92.73	71.0
IRB_t (£ million 2000/01 prices)	0.06	0.16	0.16
RLB_t	0.5	1.25	1.25
RLOPB			1.4
RLD_t	0.1	0.125	0.125