

Note:

- 1** This document illustrates the proposed modifications to the supply licences which it is anticipated the Secretary of State will make in exercise of her powers under Chapter 1 of Part 3 of the Energy Act 2004 (save that this document does not show deleted conditions).
- 2** The text of the proposed modifications to the supply licences which it is anticipated the Secretary of State will make (“proposed designation text”) is contained in a number of annexes (the “Annexes”) which are also being published on this website today. (It is anticipated that annexes in the same form as the Annexes will form part of the direction from the Secretary of State to modify the supply licences).
- 3** The attached document, which is being made available for information purposes only, is intended to illustrate the proposed designation text in the context of the relevant licence conditions. It should not, however, be relied upon in any consideration of the proposed modifications, for which reference should be made to the proposed designation text referred to at paragraph 2 above.
- 4** There may be differences between the way the proposed modifications are illustrated in the attached documents and the way the proposed designation text is expressed in the Annexes. Any differences are unintentional and may be due to the software used to produce the attached documents.

SUPPLY LICENCE: TRANSITIONAL PROVISIONS

Condition 1. Definitions and Interpretation

1. In these standard conditions, unless the context otherwise requires:

the "Act"	means the Electricity Act 1989.
"affiliate"	in relation to any person means any holding company of such person, any subsidiary of such person or any subsidiary of a holding company of such person, in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985.
"alternative accounting rules"	for the purposes of standard condition 52 (Regulatory Accounts) only, has the meaning given in that condition.
"Application Regulations"	means the Electricity (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2001.
"auditors"	means the licensee's auditors for the time being holding office in accordance with the requirements of the Companies Act 1985.
"authorised"	in relation to any business or activity means authorised by licence granted or treated as granted under section 6 or by exemption granted under section 5 of the Act.
"authorised electricity operator"	means any person (other than the licensee) who is authorised to generate, participate in the transmission of, distribute, or supply electricity and shall include any person who has made an application to be so authorised which

application has not been refused and any person transferring electricity to or from or across an interconnector or Scottish interconnection or who has made an application for use of an interconnector or Scottish interconnection which has not been refused.

the "Authority"

means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000.

"BETTA"

means the British electricity trading and transmission arrangements which are provided for in Chapter I of Part 3 of the Energy Act.

"BETTA go-live date"

means the date which the Secretary of State indicates in a direction shall be the BETTA go-live date.

"bilateral agreement"

for the purposes of standard condition 9 (Compliance with CUSC) only, has the meaning given in that condition.

"bill"

includes an invoice, account, statement or any other instrument of the like character.

"British Grid Systems Agreement"

for the purposes of standard condition 31B (BETTA run-off arrangements scheme) only, has the meaning given in that condition.

"BSC"

means the code referred to in standard condition 10 (Balancing and Settlement Code and NETA Implementation) as from time to time modified.

"BSC Framework Agreement"

for the purposes of standard condition 10 (Balancing and Settlement Code and NETA Implementation) only, has the meaning given in

	that condition.
"charges for the supply of electricity"	includes, in relation to the licensee and a particular customer, charges made by the licensee in respect of the provision to that customer of an electricity meter and cognate expressions shall be construed accordingly;
"construction agreement"	for the purposes of standard condition 9 (Compliance with CUSC) only, has the meaning given in that condition.
"Consumer Council"	means the Gas and Electricity Consumer Council as established by section 2 of the Utilities Act 2000.
"contract"	does not include a deemed contract but does include a contract which by virtue of paragraph 23 of Schedule 7 to the Utilities Act 2000 is deemed to have been made and "contractual" shall be construed accordingly.
"core industry documents"	for the purposes of standard condition 9 (Compliance with CUSC) only, has the meaning given in that condition; and for the purposes of standard conditions 10 (Balancing and Settlement Code and NETA Implementation) and 11 (Change Co-ordination for NETA) only, has the meaning given in standard condition 10.
"current cost assets"	for the purposes of standard condition 52 (Regulatory Accounts) only, has the meaning given in that condition.
"CUSC"	for the purposes of standard condition 9

	(Compliance with CUSC) only, has the meaning given in that condition.
"CUSC Framework Agreement"	for the purposes of standard condition 9 (Compliance with CUSC) only, has the meaning given in that condition.
"customer"	means any person supplied or requiring to be supplied with electricity at any premises in Great Britain but shall not include any authorised electricity operator in its capacity as such.
"data aggregation"	means services comprising any or all of the following: the collation and summation of meter reading data (whether actual or estimated) and of data in respect of the consumption of electricity at premises which receive an unmetered supply, and the delivery of such data to any person for settlement purposes.
"data processing"	means services comprising any or all of the following: the processing, validation, and estimation of meter reading data, and the creation, processing and validation of data in respect of the consumption of electricity at premises which receive an unmetered supply, and the delivery of such data to any person for the purpose of data aggregation.
"data retrieval"	means services comprising any or all of the following: the retrieval and verification of meter reading

	data from electricity meters and the delivery of such data to any person for the purpose of data processing.
"data services"	means any one or more of the services of data retrieval, data processing and data aggregation.
"date of the domestic supply contract"	for the purposes of Section C only, has the meaning given in standard condition 31 (Interpretation of Section C).
"deemed contract"	means a contract which by virtue of paragraph 3 of Schedule 6 to the Act is deemed to have been made but does not include a contract which by virtue of paragraph 23 of Schedule 7 to the Utilities Act 2000 is deemed to have been made.
"deemed contract scheme"	means the scheme made by the licensee under paragraph 3 of Schedule 6 to the Act.
"deposit"	for the purposes of Section C only, has the meaning given in standard condition 31 (Interpretation of Section C).
"the disapplication date"	has the meaning given in standard condition 54 (Duration of Standard Condition 53B (Requirement to Offer Terms for Top-up and Standby, Exempt Supply Services and Prepayment Meter Services)).
"Distribution Code"	means in relation to any licensed distributor the distribution code required to be prepared by such distributor and approved by the Authority as from time to time revised with the approval of the Authority.

"distribution licence"	means a distribution licence granted or treated as granted under section 6(1)(c) of the Act.
"distribution services area"	means an area determined by the Authority in a direction issued to a licensed distributor under standard condition 2 (Application of Section C (Distribution Services Obligations)) of its distribution licence.
"distribution system"	means the system consisting (wholly or mainly) of electric lines owned or operated by an authorised distributor and used for the distribution of electricity from grid supply points or generation sets or other entry points (and bulk supply points in Scotland) to the points of delivery to customers or authorised electricity operators or any transmission company within Great Britain in its capacity as operator of a transmission system and includes any remote transmission assets (owned by a transmission licensee within England and Wales) operated by such distributor and any electrical plant, meters and metering equipment owned or operated by such distributor in connection with the distribution of electricity, but shall not include any part of a transmission system.
"domestic customer"	means a customer supplied or requiring to be supplied with electricity at domestic premises (but excluding such customer in so far as he is supplied or requires to be supplied at premises other than domestic premises).

"domestic premises"	means premises at which a supply is taken wholly or mainly for domestic purposes.
"domestic supply contract"	has the meaning given in standard condition 42 (Domestic Supply Contracts).
"Domestic Supply Direction"	has the meaning given in standard condition 2 (Application of Section C (Domestic Supply Obligations)).
"effective time"	for the purposes of Section B only, has the meaning given in standard condition 12 (Pooling and Settlement Agreement Run-off).
"electricity supplier"	means any person authorised to supply electricity.
"estimated costs"	for the purposes of standard condition 4 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
"exempt supplier"	for the purposes of Section D only, has the meaning given in standard condition 51 (Interpretation of Section D).
"exempt supply services"	for the purposes of Section D only, has the meaning given in standard condition 51 (Interpretation of Section D).
"financial year"	means, subject to standard condition 52A (Change of Financial Year) (where applicable), a period of 12 months beginning on 1 st April of each year and ending on 31 st March of the following calendar year.
"fixed term period"	for the purposes of Section C only, has the meaning given in standard condition 31

	(Interpretation of Section C).
"Fuel Security Code	for the purposes of Section B only, has the meaning given in standard condition 14 (Security Arrangements).
"GB transmission system"	means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one generating station to a sub-station or to another generating station or between sub-stations or to or from any interconnector and includes any electrical plant or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity.
"generation security standard"	for the purposes of standard condition 8B (General Security Standard) only, has the meaning given in that condition.
"generation set"	means any plant or apparatus for the production of electricity and shall where appropriate include a generating station comprising more than one generation set.
"goods or services"	includes electric lines and electric plant, and goods or services designed or calculated to promote the efficient use of electricity, but excludes meters, meter maintenance and prepayment systems, data retrieval, data processing and data aggregation.
"Grid Code"	means the Grid Code which each transmission company is required to prepare and have

~~approved by the Authority as from time to time revised with the approval of the Authority~~[a grid code that a transmission licensee is required to have in place pursuant to its transmission licence.](#)

"grid supply point"	means any point at which electricity is delivered from a transmission system to any distribution system.
"the handbook"	for the purposes of standard condition 52 (Regulatory Accounts) only, has the meaning given in that condition.
"holding company"	means a holding company within the meaning of sections 736, 736A and 736B of the Companies Act 1985.
"in-area supply business"	for the purposes of standard condition 52 (Regulatory Accounts) only, has the meaning given in that condition.
"industry framework document"	for the purposes of standard condition 13 (Change Co-ordination for the Utilities Act 2000) only, has the meaning given in that condition.
"information"	includes any documents, accounts, estimates, returns, records or reports and data in written, verbal or electronic form and information in any form or medium whatsoever (whether or not prepared specifically at the request of the Authority or the Consumer Council) of any description specified by the Authority.
"interconnection"	means:

the 275 kV and 400 kV circuits between and including the associated switchgear at Harker sub-station in Cumbria and the associated switchgear at Strathaven sub-station in Lanarkshire;

the 275kV transmission circuit between and including the associated switchgear at Cockenzie in East Lothian and the associated switchgear at Stella in Tyne and Wear; and

the 400kV transmission circuit between and including the associated switchgear at Torness in East Lothian and the associated switchgear at Stella in Tyne and Wear

all as existing at the date on which the transmission licence comes into force as from time to time maintained, repaired or renewed, together with any alteration, modification or addition (other than maintenance, repair or renewal) which is primarily designed to effect a permanent increase in one or more particular interconnection capacities as they exist immediately prior to such alteration, modification or addition and as from time to time maintained, repaired or renewed; and

the 132kV transmission circuit between and including (and directly connecting) the associated switchgear at Chapelcross and the associated switchgear at Harker sub-station in Cumbria; and

the 132kV transmission circuit between and

	including (and connecting, via Junction V) the associated switchgear at Chapelcross and the associated switchgear at Harker sub-station in Cumbria
	all as existing at the date on which the transmission licence comes into force and as from time to time maintained, repaired or renewed.
"interconnector(s)"	means the electric lines and electrical plant and meters owned or operated by a transmission company solely for the transfer of electricity to or from a transmission system into or out of England and Wales.
"the last resort supply direction"	has the meaning given in standard condition 29 (Supplier of Last Resort).
"licensed distributor"	means any holder of a distribution licence.
"licensed supplier"	means any holder of a supply licence.
"marketing activities"	for the purposes of standard condition 48 (Marketing of Electricity to Domestic Customers) only, has the meaning given in that condition.
"Master Registration Agreement"	means the agreement of that title referred to and comprising such matters as are set out in standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement) of a distribution licence.
"metering equipment"	includes any meter and any associated equipment which materially affects the

	operation of that meter.
"modification"	has the meaning given in standard condition 8B (Generation Security Standard).
"multi-site contract"	for the purposes of standard condition 22 (Domestic Premises) only, has the meaning given in that condition.
"new termination date"	for the purposes of standard condition 48 (Marketing of Electricity to Domestic Customers) only, has the meaning given in that condition.
<u>"non-GB trading and transmission arrangements"</u>	<u>for the purposes of standard condition 31B (BETTA run-off arrangements scheme) only, has the meaning given in that condition.</u>
"non-domestic customer"	means a customer who is not a domestic customer.
"non-half-hourly meter"	means any electricity meter other than one which is configured to record the quantity of electricity (calculated in kWh) supplied to premises during each half-hour period of supply.
"the other supplier"	has the meaning given in standard condition 29 (Supplier of Last Resort).
"out-of-area supply business"	for the purposes of standard condition 52 (Regulatory Accounts) only, has the meaning given in that condition.
"owned"	in relation to an electricity meter or other property includes leased and cognate

expressions shall be construed accordingly.

"participating interest"

has the meaning given by section 260 of the Companies Act 1985 as amended by section 22 of the Companies Act 1989.

"Pooling and Settlement Agreement"

means the agreement of that title approved by the Secretary of State as from time to time amended.

"prepayment meter services"

has the meaning given in standard condition 53B (Requirement to Offer Terms for Top-up and Standby, Exempt Supply Services and Prepayment Meter Services).

"previous supplier"

for the purposes of standard condition 49 (Assignment of Outstanding Charges) only, has the meaning given in that condition.

"principal terms"

means, in respect of any form of contract or deemed contract, those terms which relate to:

- (a) charges for the supply of electricity;
- (b) any requirement to pay charges for the supply of electricity by prepayment through a prepayment meter;
- (c) any requirement for a security deposit;
- (d) the duration of the contract or deemed contract; and
- (e) the rights to terminate the contract (including any obligation to pay a termination fee), or the circumstances in which a deemed contract will expire;

and such other terms as may reasonably be considered significantly to affect the evaluation by the customer of the contract to supply electricity to the customer.

"Priority Service Register"

for the purposes of standard condition 37 (Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick) only, has the meaning given in that condition.

"qualifying customer"

for the purposes of standard condition 8B (Generation Security Standard) only, has the meaning given in that condition.

"regulatory accounts"

for the purposes of standard condition 52 (Regulatory Accounts) only, has the meaning given in that condition.

"related undertaking"

in relation to any person means any undertaking in which such person has a participating interest.

"relevant constraints"

for the purposes of standard condition 8B (Generation Security Standard) only, has the meaning given in that condition.

"relevant customer"

for the purposes of Section B only, has the meaning given in standard condition 23 (Payments Received in Relation to Standards of Performance).

"relevant customers with payment difficulties"

for the purposes of standard condition 35 (Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty) only, has the meaning given in that condition.

"relevant distributor" means, in relation to any premises, the authorised distributor to whose distribution system those premises are connected.

"relevant documents" for the purposes of standard condition 31B (BETTA run-off arrangements scheme) only, has the meaning given in that condition.

"relevant licensed distributor" means any licensed distributor which has been issued with a direction under standard condition 2 (Application of Section C (Distribution Services Obligations)) of its distribution licence designating a distribution services area to the licensed distributor.

"relevant metering equipment" for the purposes of standard condition 7 (Duty to Offer Terms for Meter Provision) only, has the meaning given in that condition.

"relevant parties" for the purposes of standard condition 50 (Modification of Provisions under Standard Conditions 46 and 49) only, has the meaning given in that condition.

"relevant payment" for the purposes of standard condition 23 (Payments Received in Relation to Standards of Performance) only, has the meaning given in that condition.

"relevant premises" for the purposes of Section C only, has the meaning given in standard condition 31 (Interpretation of Section C).

"relevant proportion" for the purposes of standard condition 4 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.

"relevant provisions"	for the purposes of Section D only, has the meaning given in standard condition 50 (Modification of Provisions under Conditions 46 and 49).
"relevant purchaser"	for the purposes of standard condition 8B (Generation Security Standard) only, has the meaning given in that condition.
"relevant year"	for the purposes of standard condition 4 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
"remote transmission assets"	<p>means any electric lines, electrical plant or meters in England and Wales owned by a transmission company ("the owner transmission company") which</p> <ul style="list-style-type: none"> (a) are embedded in the distribution system of any authorised distributor other than the owner transmission company and are not directly connected by lines or plant owned by the owner transmission company to a sub-station owned by the owner transmission company; and (b) are by agreement between the owner transmission company and such authorised distributor operated under the direction and control of such authorised distributor.
"representative"	for the purposes of Section C only, has the meaning given in standard condition 48 (Marketing of Electricity to Domestic Customers).

"request" for the purposes of Section C only, has the meaning given in standard condition 32 (Duty to Supply Domestic Customers).

"run-off" for the purposes of standard condition 12 (Pooling and Settlement Agreement Run-off) only, has the meaning given in that condition.

"running-off" for the purposes of standard condition 31B (BETTA run-off arrangements scheme) only, has the meaning given in that condition.

"Scottish grid code" means any grid code which any transmission licensee other than the system operator is obliged to maintain pursuant to its licence.

"Scottish interconnection" means such part of the interconnection as is situated in Scotland.

"Section C (system operator standard conditions) Direction" means a direction issued by the Authority or the Secretary of State, where appropriate, in accordance with standard condition A2 (Application of Section C) of the standard conditions for electricity transmission licences.

"security arrangements" for the purposes of standard condition 33 (Last Resort Supply: Security for Payments) only, has the meaning given in that condition.

"separate business" means each of the in-area supply and out-of-area supply businesses taken separately from one another and from any other business of the licensee, but so that where all or any part of such business is carried on by an affiliate or related undertaking of the licensee such part of the business as is carried on by that affiliate or

related undertaking shall be consolidated with any other such business of the licensee (and of any other affiliate or related undertaking) so as to form a single separate business.

"Settlement Agreement for Scotland"	for the purposes of Section B only, has the meaning given in standard condition 8 (Settlement Agreement for Scotland).
"standby"	for the purposes of Section D only, has the meaning given in standard condition 51 (Interpretation of Section D).
"statutory accounts"	means the accounts that the licensee prepares under the Companies Act 1985.
"subsidiary"	means a subsidiary within the meaning of sections 736, 736A and 736B of the Companies Act 1985.
"supply business"	means the business of the licensee supplying electricity as authorised.
"supply licence"	means a supply licence granted or treated as granted under section 6(1)(d) of the Act.
"supply services area"	has the meaning given at paragraph 5(b) of standard condition 3 (Application of Section D (Supply Services Obligations)).
"Supply Services Direction"	for the purposes of standard condition 3 (Application of Section D (Supply Services Obligations)) only, has the meaning given in that condition.

"System Operation Agreement"

for the purposes of standard condition 31B (BETTA run-off arrangements scheme) only.

[has the meaning given in that condition.](#)

"system operator"	means the holder for the time being of a transmission licence in relation to which licence the Authority or the Secretary of State, where appropriate, has issued a Section C (system operator standard conditions) Direction and where Section C remains in effect (whether or not subject to any terms included in the Section C (system operator standard conditions) Direction or to any subsequent variation of its terms to which the licensee may be subject).
"termination date"	for the purposes of standard condition 48 (Marketing of Electricity to Domestic Customers) only, has the meaning given in that condition.
"termination fee"	for the purposes of Section C only, has the meaning given in standard condition 31 (Interpretation of Section C).
"top-up"	for the purposes of Section D only, has the meaning given in standard condition 51 (Interpretation of Section D).
"Trading Code"	for the purposes of Section B only, has the meaning given in standard condition 8A (Compliance with Trading Code in Scotland).
"transmission company"	means the holder for the time being of a transmission licensee <u>licensee</u> .
"transmission licence"	means a transmission licence granted or treated as granted under section 6(1)(b) of the Act.

"transmission licensee"	means the holder for the time being of a transmission licence.
"transmission system"	means a system consisting (wholly or mainly) of high voltage electric lines owned or operated by a transmission company and used for the transmission of electricity from one generating station to a sub-station or to another generating station, or between sub-stations or to or from any interconnector or Scottish interconnection in question and in relation to Scotland including any interconnector and Scottish interconnection and includes any electrical plant and meters owned or operated by such transmission company in connection with the transmission of electricity but shall not include any remote transmission assets.
"undertaking"	has the meaning given by section 259 of the Companies Act 1985.
"unmetered supply"	means a supply of electricity to premises which is not, for the purpose of calculating the charges for electricity supplied to the customer at such premises, measured by metering equipment.
"use of system agreement"	for the purposes of Section B only, has the meaning given in standard condition 23 (Payments Received in Relation to Standards of Performance).
"valid notice of termination"	for the purposes of Section C only, has the meaning given in standard condition 31 (Interpretation of Section C).

"value of lost load" for the purposes of standard condition 8B (Generation Security Standard) only, has the meaning given in that condition.

2. Any words or expressions used in the Utilities Act 2000, Part I of the Act or the Energy Act 2004 shall, unless the contrary intention appears, have the same meaning when used in the standard conditions.
3. Except where the context otherwise requires, any reference to a numbered standard condition (with or without a letter) or Schedule is a reference to the standard condition (with or without a letter) or Schedule bearing that number in this licence, and any reference to a numbered paragraph (with or without a letter) is a reference to the paragraph bearing that number in the standard condition or Schedule in which the reference occurs, and reference to a Section is a reference to that Section in these standard conditions.
4. These standard conditions shall have effect as if, in relation to a licence holder who is a natural person, for the words "it", "its" and "which" there were substituted the words "he", "him", "his", "who" and "whom", and cognate expressions shall be construed accordingly.
5. Except where the context otherwise requires, a reference in a standard condition to a paragraph is a reference to a paragraph of that standard condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.
6. Any reference in these standard conditions to –
 - (a) a provision thereof;
 - (b) a provision of the standard conditions of distribution licences, or
 - (c) a provision of the standard conditions of generation licences, or
 - (d) a provision of the standard conditions of transmission licences,shall, if these standard conditions or the standard conditions in question come to be modified, be construed, so far as the context permits, as a reference to

the corresponding provision of these standard conditions or the other standard conditions in question as modified.

7. In construing these standard conditions, the heading or title of any standard condition or paragraph shall be disregarded.
8. Any reference in a standard condition to the purposes of that condition generally is a reference to the purposes of that standard condition as incorporated in this licence and as incorporated in each other licence under section 6(1)(d) of the Act (whenever granted) which incorporates it.
9. Where any obligation in the licence is required to be performed by a specified date or time or within a specified period, and where the licensee has failed so to perform, such obligation shall continue to be binding and enforceable after the specified date or time or after the expiry of the specified period (but without prejudice to all rights and remedies available against the licensee by reason of the licensee's failure to perform by that date or time or within that period).
10. Anything required by or under these standard conditions to be done in writing may be done by facsimile transmission of the instrument in question or by other electronic means and, in such case –
 - (a) the original instrument or other confirmation in writing shall be delivered or sent by pre-paid first-class post as soon as is reasonably practicable, and
 - (b) where the means of transmission had been agreed in advance between the parties concerned, in the absence of and pending such confirmation, there shall be a rebuttable presumption that what was received duly represented the original instrument.
11. The definitions referred to in this condition may include some definitions which are not used or not used exclusively in Sections A and B (which Sections are incorporated in all electricity suppliers licences). Where:
 - (a) any definition is not used in Sections A and B, that definition shall, for

the purposes of this licence, be treated:

- (i) as part of the standard condition or conditions (and the Section) in which it is used;
 - (ii) as not having effect in the licence until such time as the standard condition in which the definition is used has effect within the licence in pursuance of standard condition 2 (Application of Section C (Domestic Supply Obligations)) or standard condition 3 (Application of Section D (Supply Services Obligations));
- (b) any definition which is used in Sections A and B is also used in one or more other Sections:
- (i) that definition shall only be modifiable in accordance with the modification process applicable to each of the standard conditions in which it is used; and
 - (ii) if any such standard condition is modified so as to omit that definition, then the reference to that definition in this condition shall automatically cease to have effect.

Condition 8. Settlement Agreement for Scotland

1. ~~Insofar~~ Subject to paragraph 2, insofar as the licensee supplies or offers to supply electricity to any premises situated in Scotland, it shall become a party to and thereafter comply with the provisions of the Settlement Agreement for Scotland.
2. The Authority may (with the consent of the Secretary of State and following consultation with the licensee and such other persons as the Authority determines appropriate) where it considers it consistent with, or necessary or expedient for, the successful implementation and operation of BETTA, issue directions relieving the licensee of such of its obligations under this condition (whether in part or in whole) as the Authority deems appropriate.
3. In this condition:

"Settlement Agreement for
Scotland"

means the agreement of that title prepared in accordance with, and comprising such matters as are set out in, special condition I (The Settlement Agreement for Scotland) of each of the electricity distribution licences of SP Distribution Limited and Scottish Hydro Electric Power Distribution Limited (and any other name by which any of these companies come to be known).

Condition 31A. BETTA implementation

1. The objective of this licence condition is to require the licensee to take certain steps and do certain things which are within its power and which are or may be necessary or expedient in order that BETTA can take effect on or around 1 April 2005 or such later date as the Secretary of State may designate as the BETTA go-live date.
 2. Without prejudice to paragraph 1, the licensee shall take such steps and do such things as are within its power and as are or may be necessary or expedient in order to give full and timely effect to:
 - (a) the modifications to this licence made by the Secretary of State pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission) and which have effect in this licence;
 - (b) to the extent that the licensee is obliged to comply with the same by virtue of being a party to such code or otherwise and to the extent that such changes have full effect in such code, the modifications or amendments:
 - (i) to the BSC, CUSC and the Grid Code which are designated by the Secretary of State on or before 8 September 2004 pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission) or pursuant to any power under this or any other licence; and
 - (ii) to the BSC, CUSC, Grid Code or Scottish grid code which are directed by the Authority pursuant to the provisions of paragraph 6 of condition C3 (BSC), paragraph 8 of condition C10 (CUSC), paragraph 7 of condition C14 (Grid Code) and paragraph 6 of condition D9 (Scottish grid code), respectively;
- and shall, in each case, take such reasonable steps and do such things as are reasonable and, in each case, as are within its power and as are or may be

necessary or expedient to give full and timely effect to the matters envisaged by such modifications or amendments.

3. Without prejudice to paragraph 1, the licensee shall take all reasonable steps and do such things as are reasonable and, in each case, as are within its power and as are or may be necessary in order to give full and timely effect to:

(a) the modifications to this licence which either the Secretary of State has notified to the licensee are to be made to this licence pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission) or which the licensee otherwise knows (or reasonably anticipates) are to be made to this licence, but which, at the relevant time, do not have effect in this licence; and

(b) the modifications or amendments:

(i) to the BSC, CUSC and the Grid Code which are designated by the Secretary of State on or before 8 September 2004 pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission) or pursuant to any power under this or any other licence; and

(ii) to the BSC, CUSC, Grid Code or Scottish grid code which are directed by the Authority pursuant to the provisions of paragraph 6 of condition C3 (BSC), paragraph 8 of condition C10 (CUSC), paragraph 7 of condition C14 (Grid Code) and paragraph 6 of condition D9 (Scottish grid code), respectively or which the licensee otherwise knows (or reasonably anticipates) are to be directed by the Authority pursuant to such provisions.

but which, in either case, do not, at the relevant time, have full effect in the relevant code.

4. Without prejudice to the other provisions of this condition, the licensee shall:

(a) cooperate with other electricity licensees and such other persons as the Authority may determine for these purposes and take such steps and do such things as are reasonable and within its power and as are or may be necessary or expedient to enable such electricity licensees to comply with their licence obligations to give full and timely effect to:

(i) the modifications made or to be made to their licence by the Secretary of State pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission);

(ii) the modifications or amendments to the BSC, CUSC and the Grid Code designated by the Secretary of State on or before 8 September 2004 pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission) or pursuant to any power under this or any other licence;

(iii) the modifications or amendments to the STC, BSC, CUSC, Grid Code or Scottish grid code which are directed by the Authority pursuant to the provisions of paragraph 7 of condition B12 (STC), paragraph 6 of condition C3 (BSC), paragraph 8 of condition C10 (CUSC), paragraph 7 of condition C14 (Grid Code) and paragraph 6 of condition D9 (Scottish grid code), respectively; and

(iv) where that other licensee is a transmission licensee, the provisions of the STC, and

the matters envisaged by such modifications and the provisions of the STC, as appropriate, and

(b) if the licensee becomes aware of any conflict between its compliance with the provisions of this condition and its compliance with any other condition of this licence or any Code, document or agreement to which the licensee is obliged to be or become a party pursuant to this licence,

the licensee shall forthwith give written notice of such conflict to the Authority and shall comply with any direction of the Authority in relation to the same (which direction may only be made following such consultation with the licensee (and such other persons as the Authority deems appropriate) in such manner as the Authority deems appropriate).

5. The licensee shall provide to the Authority, in such manner and at such times as the Authority may reasonably require, such information and shall procure and furnish to it such reports as the Authority may require or deem necessary or appropriate to enable the Authority to monitor the licensee's compliance with the requirements of this condition.

6. For the purposes of sub-paragraph 2(b) and paragraph 3 above, a modification or amendment shall have full effect in a code where that modification or amendment, as appropriate, has been implemented and is effective in that code and is not prevented from having effect or being implemented in that code, at the relevant time, by another provision of that code.

Condition 31B. BETTA run-off arrangements scheme

1. The licensee shall, to the extent applicable to it, comply with the BETTA run-off arrangements scheme (“the scheme”) established and as modified from time to time in accordance with this condition.
2. For the purposes of this condition, the objective of the scheme shall be the running-off of the non-GB trading and transmission arrangements to the extent that the Authority considers it necessary or expedient to do so to ensure that those arrangements do not prevent or in any way hinder the successful and effective implementation of:
 - (a) the modifications to this licence and each other licence made or to be made by the Secretary of State pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission);
 - (b) the modifications or amendments to:
 - (i) the BSC, CUSC and the Grid Code which are designated by the Secretary of State on or before 8 September 2004 pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity trading and transmission) or pursuant to any power under this or any other licence; and
 - (ii) the STC, BSC, CUSC, Grid Code or any Scottish grid code which are directed by the Authority pursuant to the provisions of paragraph 7 of condition B12 (STC), paragraph 6 of condition C3 (BSC), paragraph 8 of condition C10 (Connection use of system code (CUSC), paragraph 8 of condition C14 (Grid Code) and paragraph 6 of condition D9 (Scottish grid code), respectively; and,
 - (c) the provisions of the STC which are designated by the Secretary of State on or before 8 September 2004 pursuant to the powers vested in her under Chapter 1 of Part 3 of the Energy Act 2004 (Electricity

trading and transmission) or pursuant to any power under this or any other licence,

and the matters envisaged by such modifications or amendments or the STC, as appropriate.

3. The scheme shall be designated by the Secretary of State for the purposes of this condition, following such consultation as the Secretary of State deems appropriate with those persons that the Secretary of State considers are likely to be affected by the scheme and such other persons as the Secretary of State deems appropriate.
4. The scheme shall set out the steps to be taken (or procured) by the licensee or by any authorised electricity operator or by any other person who undertakes to comply with the scheme, which are, in the opinion of the Secretary of State or, in respect of any subsequent changes made to the scheme by the Authority pursuant to paragraph 6 below, in the opinion of the Authority, reasonably required in order to achieve the objective described in paragraph 2.
5. The scheme may provide, without limitation:

 - (a) for all or some of its provisions to have contractual force;
 - (b) for securing or facilitating the amendment of all or any of the relevant documents in a manner which is consistent with the objective described in paragraph 2; and
 - (c) for the making by the Authority of determinations in respect of such matters affecting such persons, including the licensee, as may be specified in the scheme.
6. The Authority may (with the consent of the Secretary of State) direct that the BETTA run-off arrangements scheme be amended (following such consultation as the Authority deems appropriate with those persons that the Authority considers are likely to be affected by such an amendment) where the Authority considers it necessary or expedient to do so for the purposes of achieving the objective described in paragraph 2.

7. The Authority shall serve a copy of any such direction on the licensee, and thereupon, the licensee shall comply with the scheme as modified by the direction.
8. If the licensee becomes aware of any conflict between the requirements contained in the scheme and those imposed on the licensee by any other condition of this licence, the licensee shall forthwith give notice of such conflict to the Authority and shall comply with any direction of the Authority in relation to the same (which direction may only be made following such consultation with the licensee (and such other persons as the Authority deems appropriate) in such manner as the Authority deems appropriate).
9. The Authority may not make any direction under paragraph 6 of this condition after the BETTA go-live date.
10. In this condition:

“British Grid Systems Agreement” means the agreement known as the British Grid Systems agreement and made between The National Grid Company plc, Scottish Hydro-Electric Plc and Scottish Power Plc and dated 30 March 1990, as amended or modified from time to time.

“non-GB trading and transmission arrangements”

means those arrangements for, amongst other things, the separate trading or transmission of electricity in Scotland, the separate trading or transmission of electricity in England and Wales and the trading or transmission of electricity between England and Wales (taken as a whole) and Scotland which are defined and governed by, amongst other things, the relevant documents.

“relevant documents” means the documents which relate to the non-GB trading and transmission arrangements, including, without limitation:

(a) the Settlement Agreement for Scotland;

(b) the British Grid System Agreement;

(c) the System Operation Agreement;
and

(d) any agreement relating to:

(i) the establishment of, operation of, or trading of electricity across the Scottish interconnection;

(ii) the use of or connection to the Scottish interconnection; and

(iii) the use of, or connection to, a distribution or transmission system in Scotland.

“running-off” means bringing to an end.

“System Operation Agreement” means the agreement known as the System Operation agreement and made between Scottish Hydro-Electric Plc and Scottish Power Plc and dated 1 June 1990, as amended or modified from time to time.

Condition 31C. Offers for connection to or use of the GB transmission system in the transition period

1. The licensee shall:

(a) save where it disputes the terms of the same, accept any offer made to it in its capacity as an existing user:

(i) to enter into an agreement for connection to or use of the GB transmission system made by the system operator in accordance with condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) of the system operator's licence; or

(ii) to amend any existing agreement between the licensee and the system operator for connection or use of system made by the system operator in accordance with condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) of the system operator's licence

in each case, within one month (or such longer period as the Authority may direct for these purposes) of its receipt of the same;

(b) where the terms of an agreement between it and the system operator are settled pursuant to paragraph 11 of condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) of the system operator's licence, the licensee shall forthwith enter into the agreement with the system operator on the basis of the terms so settled; and

(c) where the terms of any offer made pursuant to condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) of the system operator's licence are in dispute, and an application has been made to the Authority requesting that it settle the terms of the agreement which

are in dispute, and where the terms of such agreement have not been settled by the date which falls two weeks prior to the BETTA go-live date, forthwith enter into an agreement with the system operator for connection to or use of the GB transmission system, or amend an existing agreement, on the basis of the terms offered by the system operator pending resolution of the terms of that agreement by the Authority in accordance with paragraph 11 of condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) of the system operator's licence. The Authority's determination of the terms of any such agreement may, where and to the extent appropriate, take account of and make appropriate adjustments to reflect the difference between the terms of that agreement as settled and the terms of that agreement which applied during the period from the BETTA go-live date to the date upon which the agreement as settled takes effect.