

Note:

- 1** This document illustrates the proposed modifications to the distribution 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 distribution 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 distribution 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.

DISTRIBUTION LICENCE CONDITIONS

ENDURING MODIFICATIONS

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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 the licensee means any holding company of the licensee, any subsidiary of the licensee or any subsidiary of a holding company of the licensee in each case within the meaning of section 736, 736A and 736B of the Companies Act 1985.
"alternative accounting rules"	for the purposes of standard condition 42 (Regulatory Accounts) only, has the meaning given in that condition.
"amendment"	for the purposes of standard condition 49 (Incentive Scheme and Associated Information) only, has the meaning given in that condition.
"Application Regulations"	means the Electricity (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2001.
"appropriate time"	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) only, has the meaning given in that condition.
"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, ~~transmit~~[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.

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

"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.

~~"bilateral agreement" for the purposes of standard condition 26 (Compliance with CUSC) only, has the meaning given in that condition.~~

"charge restriction conditions" for the purposes of standard condition 49 (Incentive Scheme and Associated Information) only, has the meaning given in that condition.

"charging review date"	for the purposes of standard condition 49 (Incentive Scheme and Associated Information) only, has the meaning given in that condition.
"competent authority"	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) only, has the meaning given in that condition.
"confidential information"	for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) only, has the meaning given in that condition.
"connection charges"	means charges made or levied, or to be made or levied, by the licensee for the provision of connections or the modification or retention of existing connections to the licensee's distribution system at entry or exit points, whether or not such charges or any part of them are annualised, and may include, as appropriate, costs relating to any of the matters that are mentioned in paragraph 5 of standard condition 4B (Connection Charging Methodology).
"connection charging methodology"	means the principles on which and the methods by which, for the purposes of achieving the objectives referred to in paragraph 3 of standard condition 4B (Connection Charging Methodology), connection charges are determined.
"consolidated distribution business"	for the purposes of standard condition 42 (Regulatory Accounts) only, has the meaning given in that condition.

~~"construction agreement" for the purposes of standard condition 26~~

~~(Compliance with CUSC) only, has the meaning given in that condition.~~

"Consumer Council"	means the Gas and Electricity Consumer Council as established under section 2 of the Utilities Act 2000.
"convenience customers"	means customers supplied or requiring to be supplied at any premises which are (i) connected to the licensee's distribution system; and (ii) situated within the distribution services area of a distribution services provider other than the licensee.
"core industry documents"	for the purposes of standard conditions 10 (Balancing and Settlement Code and NETA Implementation) and 11 (Change Co-ordination for NETA <u>BSC</u>) only, has the meaning given in standard condition 10; and for the purposes of standard condition 26 (Compliance with CUSC) only, has the meaning given in that condition.
"cross-default obligation"	for the purposes of standard condition 47 (Indebtedness) only, has the meaning given in that condition.
"current cost assets"	for the purposes of standard condition 42 (Regulatory Accounts) only, has the meaning given in that condition.
"CUSC"	for the purposes of standard condition 26 (Compliance with CUSC) only, has the meaning given in that condition.
"CUSC Framework agreement"	for the purposes of standard condition 26 (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"	has the meaning given in standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services).
"data processing"	has the meaning given in standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services).
"data retrieval"	has the meaning given in standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services).
"data transfer service"	for the purposes of Section C only, has the meaning given in standard condition 32 (Interpretation of Section C (Distribution Services Obligations)).
"declared net capacity"	means, in relation to generation plant, the highest generation of electricity at the main alternator terminals which can be maintained for an indefinite period of time without causing damage to the plant, less so much of that capacity as is consumed by the plant.
"disposal"	for the purposes of standard condition 29 (Disposal of Relevant Assets) only, has the meaning given in that condition.
"distribution arrangements"	has the meaning given in standard condition 25 (Long Term Development Statement).

"distribution business"	<p>means a business of the licensee, or in relation to sub-paragraphs (a) and (b) below, and except to the extent otherwise specified by the authority in a direction to the licensee, any business of any affiliate or related undertaking of the licensee comprising:</p> <ul style="list-style-type: none"> (a) the distribution of electricity through the licensee's distribution system, including any business in providing connections to such system; (b) the provision of the services specified in sub-paragraphs (c) and (d) of paragraph 1 of standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services); and (c) the provision of the services specified in sub-paragraphs (a) and (b) of paragraph 1 of standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services), <p>or any business ancillary thereto.</p>
"Distribution Code"	<p>means a distribution code required to be prepared by a licensed distributor pursuant to standard condition 9 (Distribution Code) and approved by the Authority as revised from time to time with the approval of the Authority.</p>
"distribution licence"	<p>means a distribution licence granted or treated as granted under section 6(1)(c) of the Act.</p>
"distribution services area"	<p>has the meaning given at sub-paragraph 5(b) of standard condition 2 (Application of Section C</p>

(Distribution Services Obligations)).

"Distribution Services Direction"

has the meaning given in standard condition 2 (Application of Section C (Distribution Services Obligations)).

"distribution services provider"

means a licensed distributor in whose licence Section C has effect.

"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~~licensee within Great Britain in its capacity as operator of ~~a~~the licensee's transmission system or the GB 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~~the GB transmission system.

"distributor metering and data services"

for the purposes of Section C only, has the meaning given in paragraph 9 of standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services).

"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.

"Electricity Arbitration Association"

for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) only, has the meaning given in that condition.

"electricity supplier"

means any person authorised to supply electricity.

"estimated costs"

for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.

"existing connection"

means, in relation to any premises, an existing connection to the licensee's distribution system which does not require modification, or a new or modified connection to such system in respect of which all works have been completed, such that in either case electricity is able to be supplied to the premises in accordance with the terms of the relevant supply agreement.

"external distribution activities"

for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) only, has the meaning given in that condition.

"financial year"

subject to standard condition 42A (Change of Financial Year) (where applicable), means a period of 12 months beginning on 1 April of each year and ending on 31 March of the following

calendar year.

"Fuel Security Code"

for the purposes of Section B only, has the meaning given in standard condition 16 (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 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.

"Grid Code"

means the Grid Code which ~~each transmission company~~ the system operator is required to prepare and have approved by the Authority as from time to time revised with the approval of the Authority.

"grid supply point"

means any point at which electricity is delivered from ~~a~~ the GB transmission system to any distribution system.

the "handbook"

for the purposes of standard condition 42 (Regulatory Accounts) only, has the meaning given in that condition.

"holding company"

means a company within the meaning of sections

736, 736A and 736B of the Companies Act 1985.

"indebtedness"

for the purposes of standard condition 47 (Indebtedness) 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 275 kV 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 400 kV 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 132 kV transmission circuit between and including (and directly connecting) the associated switchgear at Chapeleross and the associated switchgear at Harker sub-station in Cumbria; and the 132 kV transmission circuit between and including (and connecting, via Junction V) the associated switchgear at Chapeleross 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~~[licensee](#) solely for the transfer of electricity to or from ~~a~~[the GB](#) transmission system into or out of ~~England and Wales~~[Great Britain](#).

"investment"

for the purposes of Section C only, has the meaning given in standard condition 43 (Restriction on Activity and Financial Ring Fencing).

"investment grade issuer credit rating"

for the purposes of Section C only, has the meaning given in standard condition 46 (Credit Rating of Licensee).

"licensed distributor"

means any holder of a distribution licence.

"licensee's Distribution Code" means the distribution code required to be prepared by the licensee pursuant to standard condition 9 (Distribution Code) and approved by the Authority as revised from time to time with the approval of the Authority.

"licensee's distribution system" means the distribution system owned or operated by the licensee.

"licensee's transmission system" means those parts of the GB transmission system which are owned or operated by a transmission licensee within its transmission area.

"Master Registration Agreement" means the agreement of that title referred to and comprising such matters as are set out in standard condition 14 (Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement) and standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement).

"metering equipment" includes any electricity meter and any associated equipment which materially affects the operation of that meter.

"Metering Point Administration Service" means the service to be established, operated and maintained by the licensee in accordance with standard condition 14 (Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement).

"metering point administration services" means the services of the Metering Point Administration Service established in accordance with standard condition 14 (Provisions of the Metering Point Administration Service and Compliance with the Master Registration

	Agreement) or where the context requires, in accordance with standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement).
"Metering Point Administration Service operator"	has the meaning given in standard condition 38 (Establishment of a Data Transfer Service).
"non-domestic customer"	means a customer who is not a domestic customer.
"other Distribution Codes"	means the distribution codes which the holder(s) of a distribution licence (other than the licensee) are required to draw up and have approved by the Authority pursuant to standard condition 9 (Distribution Code) of their distribution licence, as from time to time revised with the approval of the Authority.
"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.
"permitted purpose"	for the purposes of Section C only, has the meaning given in standard condition 32 (Interpretation of Section C (Distribution Services Obligations)).
"Pooling and Settlement Agreement"	means the agreement of that title approved by the Secretary of State as from time to time amended.
"regulatory instructions and guidance"	for the purposes of standard condition 49 (Incentive Scheme and Associated Information) only, has the meaning given in that condition.

"related undertaking"	in relation to the licensee means any undertaking in which the licensee has a participating interest.
"relevant asset"	means any asset for the time being forming part of the licensee's distribution system, any control centre for use in conjunction therewith, and any legal or beneficial interest in land upon which any of the foregoing is situate (which for the purposes of property located in Scotland means any estate, interest, servitude or other heritable or leasehold right in or over land including any leasehold interests or other rights to occupy or use and any contractual or personal rights relating to such property or the acquisition thereof).
"relevant duties"	for the purposes of standard condition 40 (Appointment of a Compliance Officer) only, has the meaning given in that condition.
"relevant proportion"	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition.
"relevant year"	for the purposes of standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition; and for the purposes of standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning given in that condition.
"relinquishment of operational control"	for the purposes of standard condition 29 (Disposal of Relevant Assets) only, has the meaning given in that condition.
"remote transmission assets"	means any electric lines, electrical plant or meters in England and Wales owned by a transmission

[company licensee](#) ("the owner transmission [company licensee](#)") which:

- (a) are embedded in the licensee's distribution system or the distribution system of any authorised distributor and are not directly connected by lines or plant owned by the owner transmission [company licensee](#) to a sub-station owned by the owner transmission [company licensee](#); and
- (b) are by agreement between the owner transmission [company licensee](#) and the licensee or such authorised distributor operated under the direction and control of the licensee or such authorised distributor.

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

"Secretary of State's costs" for the purposes of standard condition 3 (Payments by Licensee to the Authority) only, has the meaning given in that condition.

["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.

"separate business" for the purposes of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) only, has the meaning given in that condition.

the "scheme" for the purposes of standard condition 49 (Incentive Scheme and Associated Information)

	only, has the meaning given in that condition.
"Settlement Agreement for Scotland"	has the meaning given in standard condition 12 (Settlement Agreement for Scotland).
"settlement purposes"	means for the purposes of settlement as set out in the Balancing and Settlement Code or the Settlement Agreement for Scotland.
"specified information"	for the purposes of standard condition 49 (Incentive Scheme and Associated Information) only, has the meaning given in that condition.
"standby"	means the periodic or intermittent supply or sale of electricity: <ul style="list-style-type: none"> (a) to an authorised electricity operator to make good any shortfall in the availability of electricity to that operator for the purposes of its supply of electricity to persons seeking such supply; or (b) to a customer of the licensee to make good any shortfall between the customer's total supply requirements and that met either by its own generation or by electricity supplied by an electricity supplier other than the licensee.
"statutory accounts"	means the accounts that the licensee prepares under the Companies Act 1985 (as amended by the Companies Act 1989).
"subsidiary"	means a subsidiary within the meanings of sections 736, 736 A and 736B of the Companies Act 1985.
"supply licence"	means a supply licence granted or treated as

granted under section 6(1)(d) of the Act.

"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).

"top-up"

means the supply or sale of electricity on a continuing or regular basis:

- (a) to an authorised electricity operator to make good any shortfall in the availability of electricity to that operator for the purposes of its supply of electricity to persons seeking such supply; or
- (b) to a customer of the licensee to make good any shortfall between the customer's total supply requirements and that met either by its own generation or by electricity supplied by an electricity supplier other than the licensee.

~~"trading code"~~

~~for the purposes of Section B only, has the meaning given in standard condition 12A (Compliance with Trading Code in Scotland).~~

~~"transmission company"~~

~~means the holder for the time being of a transmission licence.~~

"transmission licence"

means a transmission licence granted or treated as

granted under section 6(1)(b) of the Act.

"transmission ~~system~~licensee"

~~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 the transmission company in connection with the transmission of electricity but shall not include any remote transmission assets~~the holder for the time being of a transmission licence.

"ultimate controller"

means:

- (a) a holding company of the licensee which is not itself a subsidiary of another company; and
- (b) any person who (whether alone or with a person or persons connected with him) is in a position to control, or to exercise significant influence over, the policy of the licensee or any holding company of the licensee by virtue of:
 - (i) rights under contractual arrangements to which he is a party or of which he is a beneficiary; or
 - (ii) rights of ownership (including rights attached to or deriving from securities or rights under a trust) which are held by

him or of which he is a beneficiary;

but excluding any director or employee of a corporate body in his capacity as such; and

(c) for the purposes of sub-paragraph (b), a person is connected with another person if they are party to any arrangement regarding the exercise of any such rights as are described in that paragraph.

"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"

means use of the licensee's distribution system for the distribution of electricity by the licensee for any person.

"use of system charges"

means charges made or levied, or to be made or levied, by the licensee for the provision of services as part of the distribution business to any person, as more fully described in standard condition 4 (Use of System Charging Methodology) and 4A (Charges for Use of System), but does not include connection charges.

"use of system charging methodology"

means the principles on which and the methods by which, for the purposes of achieving the objectives referred to in paragraph 3 of standard condition 4 (Use of System Charging Methodology), use of system charges are determined.

2. Any words or expressions used in the Utilities Act ~~2000~~or 2000, Part I of the Act or the Energy Act 2004 shall, unless the contrary intention appears, have the same meanings 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 electricity supply licences, or
 - (c) a provision of the standard conditions of electricity generation licences,
 - (d) a provision of the standard conditions of electricity 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)(c) of the Act (whenever granted) which incorporates it.
9. Where any obligation of 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 the 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 distribution 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 (Distribution 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 4D. Requirement to Offer Terms for Use of System and Connection

1. On application made by any person, the licensee shall (subject to paragraph 4) offer to enter into an agreement for use of system:
 - (a) to accept into the licensee's distribution system, at such entry point or points and in such quantities as may be specified in the application, electricity to be provided by or on behalf of such person; and/or
 - (b) to distribute such quantities of electricity as are referred to in subparagraph (a) (less any distribution losses) at such exit point or points on the licensee's distribution system and to such person or persons as the applicant for use of system may specify.
2. On application made by any person for a connection, the licensee shall offer terms for making the connection pursuant to sections 16 and 16A of the Act and in compliance with the provisions of this condition.
3. Where the licensee makes an offer to enter into a connection agreement pursuant to section 22 of the Act, or replies to a request for a connection made to it under section 16A of the Act, the licensee shall, in making the offer or replying to the applicant, make detailed provision regarding:
 - (a) the carrying out of the works (if any) required to connect the licensee's distribution system to any other system for the transmission or distribution of electricity, and for the obtaining of any consents necessary for such purpose;
 - (b) the carrying out of the works (if any) in connection with the extension or reinforcement of the licensee's distribution system rendered (in the licensee's discretion) appropriate or necessary by reason of making the connection or the modification of an existing connection, and for the obtaining of any consents necessary for such purpose;
 - (c) (save to the extent that such matters are included in any agreement offered in accordance with standard condition 36B – Requirement to Offer Terms for the Provision of Distributor Metering and Data Services), the installation of appropriate meters (if any) required to enable the licensee to

measure electricity being accepted into the licensee's distribution system at the specified entry point or points or leaving such system at the specified exit point or points;

- (d) the installation of such switchgear or other apparatus (if any) as may be required for the interruption of supply where the person seeking connection or the modification of an existing connection does not require the provision of top-up or standby; and
- (e) (save to the extent that such matters are included in any agreement offered in accordance with standard condition 36B – Requirement to Offer Terms for the Provision of Distributor Metering and Data Services), the installation of special metering, telemetry, or data processing equipment (if any) for the purpose of enabling any party to the Balancing and Settlement Code and/or the Settlement Agreement for Scotland to comply with its obligations thereunder in respect of metering or the performance by the licensee of any service in relation to such metering.

4. In making an offer pursuant to this condition to enter into any connection agreement, or in replying to a request for connection under section 16A of the Act, the licensee shall set out:

- (a) the date by which, in the case of an agreement under paragraph 2, any works required to permit access to the licensee's distribution system (including for this purpose any works to reinforce or extend the licensee's distribution system) shall be completed, time being of the essence unless, in the case of connection agreements only, otherwise agreed between the parties;
- (b) the charges to be paid in respect of the services required, which are (unless manifestly inappropriate):
 - (i) to be set in compliance with the requirements of standard condition 4B (Connection Charging Methodology), and
 - (ii) to be presented in such a way as to be referable to the statement prepared in accordance with paragraph 4 of standard condition 4B (Connection Charging Methodology) or any revision thereof; and

- (c) such other detailed terms in respect of each of the services required as are or may be appropriate for the purpose of the agreement.
- 5. The licensee shall offer terms for agreements in accordance with paragraphs 1, 2, and 4 as soon as is practicable and (save where the Authority consents to a longer period) in any event not more than the period specified in paragraph 6 after receipt by the licensee (or its agent) from any person of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.
- 6. For the purposes of paragraph 5, the period specified is:
 - (a) in the case of persons seeking the provision of use of system only, 28 days;
 - (b) in the case of persons seeking connection or the modification of an existing connection, three months; and
 - (c) in the case of persons seeking use of system in conjunction with connection or the modification of an existing connection, three months.
- 7. The licensee is not obliged pursuant to this condition to offer to enter or to enter into any agreement under paragraphs 1, 2, and 4:
 - (a) if to do so would be likely to involve the licensee being:
 - (i) in breach of its duties under section 9 of the Act,
 - (ii) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the distribution business,
 - (iii) in breach of the Grid ~~Codes~~Code or the licensee's Distribution Code, or
 - (iv) in breach of the conditions; or

- (b) if the person making the application does not undertake to be bound, insofar as applicable, by the terms of the licensee's Distribution Code or the ~~applicable~~ Grid Code from time to time in force; or
 - (c) if to do so would be likely to involve the licensee doing something which, without the consent of another person, would require the exercise of a power conferred by any provision of Schedules 3 or 4 to the Act, and the licence does not provide for that provision to have effect in relation to the licensee, and any necessary consent has not, at the time that the request is made, been given.
8. The licensee shall, within 28 days following receipt of a request from any person, give or send to him such information in the possession of the licensee as may be reasonably required by such person for the purpose of completing an application under the Application Regulations or any such provisions to like effect contained in any further regulations then in force made pursuant to sections 6(3), 60, and 64(1) of the Act.

Condition 4E. Functions of the Authority

1. If, after a period which appears to the Authority to be reasonable for the purpose, the licensee has failed to enter into an agreement with any person entitled or claiming to be entitled thereto pursuant to a request under standard condition 4D (Requirement to Offer Terms for Use of System and Connection), the Authority may, on the application of such person or the licensee, settle any terms of the agreement in dispute between the licensee and that person in such manner as appears to the Authority to be reasonable, having (insofar as is relevant) regard in particular to the following considerations:
 - (a) that such a person should pay to the licensee:
 - (i) in the case of provision of use of system, the use of system charges determined in accordance with standard condition 4A (Charges for Use of System), and
 - (ii) in the case of provision of a connection, connection charges determined in accordance with standard condition 4B (Connection Charging Methodology).
 - (b) that the performance by the licensee of its obligations under the agreement should not cause it to be in breach of those provisions referred to at paragraph 7 of standard condition 4D (Requirement to Offer Terms for Use of System and Connection);
 - (c) that any methods by which the licensee's distribution system is connected to any other system for the transmission or distribution of electricity accord (insofar as applicable to the licensee) with the applicable Distribution Codes and Grid ~~Codes~~Code; and
 - (d) that the terms and conditions of the agreement so settled by the Authority and of any other agreements entered into by the licensee pursuant to a request under standard condition 4D (Requirement to Offer Terms for Use of System and Connection) should be in as similar a form as is practicable.
2. Insofar as any person entitled or claiming to be entitled to an offer under standard condition 4D (Requirement to Offer Terms for Use of System and Connection)

wishes to proceed on the basis of an agreement as settled by the Authority pursuant to paragraph 1, the licensee shall forthwith enter into and implement such agreement in accordance with its terms.

3. If either party to such agreement proposes to vary the contractual terms of any agreement for use of system, or for the provision of a connection or the modification of an existing connection to the licensee's distribution system, entered into pursuant to standard condition 4D (Requirement to Offer Terms for Use of System and Connection) or under this condition, in any manner provided for under such agreement, the Authority may, at the request of that party, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable.
4. If the licensee and an authorised electricity operator or other person who is party to a relevant agreement are in dispute as to whether:
 - (a) use of system charges made, or to be made, comply with the statement of use of system charges under paragraph 1 of standard condition 4A (Charges for Use of System) which applied or applies in relation to the period in respect of which the dispute arises; or
 - (b) use of system charges made, or to be made, comply with the statement of the use of system charging methodology under paragraph 1(a) of standard condition 4 (Use of System Charging Methodology) which applied or applies in relation to the period in respect of which the dispute arises; or
 - (c) connection charges made, or to be made, comply with the statement of the connection charging methodology under paragraph 4 of standard condition 4B (Connection Charging Methodology) which applied or applies in relation to the period in respect of which the dispute arises,

such dispute may be referred to the Authority for it to determine whether, in the case of sub-paragraph (a), the charges made, or to be made, complied with the relevant statement under standard condition 4A (Charges for Use of System), or whether, in the case of sub-paragraphs (b) and (c), the charges complied with the relevant methodology.

Condition 5. Distribution System Planning Standard and Quality of Service

1. The licensee shall plan and develop the licensee's distribution system in accordance with a standard not less than that set out in Engineering Recommendation P.2/5 (October 1978 revision) of the Electricity Council Chief Engineers' Conference in so far as applicable to it or such other standard of planning as the licensee may, following consultation (where appropriate) with the ~~transmission company~~system operator, and any other authorised electricity operator liable to be materially affected thereby and with the approval of the Authority, adopt from time to time.
2. The licensee shall within 3 months after this condition comes into force draw up and submit to the Authority for its approval a statement setting out criteria by which the quality of performance of the licensee in maintaining the licensee's distribution system's security and availability and quality of service may be measured.
3. The licensee shall within 2 months after the end of each financial year submit to the Authority a report providing details of the performance of the licensee during the previous financial year against the criteria referred to in paragraphs 1 and 2.
4. The Authority may (following consultation with the licensee and, where appropriate, with the ~~transmission company~~system operator, and any other authorised electricity operator liable to be materially affected thereby) issue directions relieving the licensee of its obligation under paragraph 1 in respect of such parts of the licensee's distribution system and to such extent as may be specified in the directions.
5. Paragraph 2 shall not apply to the licensee in respect of any period during which standard condition 49 has effect.
6. Paragraph 3 shall not apply in respect of a previous financial year during the whole or part of which standard condition 49 had effect.

Amended Condition 5 for Scottish Hydro-Electric Power Distribution Limited

1. The licensee shall plan and develop the licensee's distribution system in accordance with a standard not less than that set out in Engineering Recommendation P.2/5 (October 1978 revision) of the Electricity Council Chief Engineers' Conference as modified by the Memorandum numbered EM7907 and entitled "Distribution Planning - Standards of Voltage and security of supply" (dated 23 March 1979) such Memorandum being as submitted by or on behalf of the licensee to the Authority on or before the date of grant of this Licence Document or such later date as the Authority shall agree) in so far as applicable to it or such other standard of planning as the licensee may, following consultation (where appropriate) with the ~~transmission company~~[system operator](#), and any other authorised electricity operator liable to be materially affected thereby and with the approval of the Authority, adopt from time to time.
2. The licensee shall within 3 months after this condition comes into force draw up and submit to the Authority for its approval a statement setting out criteria by which the quality of performance of the licensee in maintaining the licensee's distribution system's security and availability and quality of service may be measured.
3. The licensee shall within 2 months after the end of each financial year submit to the Authority a report providing details of the performance of the licensee during the previous financial year against the criteria referred to in paragraphs 1 and 2.
4. The Authority may (following consultation with the licensee and, where appropriate, with the ~~transmission company~~[system operator](#), and any other authorised electricity operator liable to be materially affected thereby) issue directions relieving the licensee of its obligation under paragraph 1 in respect of such parts of the licensee's distribution system and to such extent as may be specified in the directions.
5. Paragraph 2 shall not apply to the licensee in respect of any period during which standard condition 49 has effect.
6. Paragraph 3 shall not apply in respect of a previous financial year during the whole or part of which standard condition 49 had effect.

Condition 10. Balancing and Settlement Code and NETA Implementation

1. Insofar as the licensee shall distribute or offer to distribute electricity within ~~any area of England and Wales~~ Great Britain, the licensee shall be a party to the BSC Framework Agreement and shall comply with the BSC.
2. The licensee shall comply with the programme implementation scheme established in accordance with paragraph 3 as modified from time to time in accordance with paragraph 5.
3. The programme implementation scheme is a scheme designated by the Secretary of State setting out the steps, including without limitation steps as to the matters referred to in paragraph 4, to be taken (or procured) by the licensee (and/or by authorised electricity operators) which are, in the Secretary of State's opinion, appropriate in order to give full and timely effect to:
 - (a) any modifications made to this licence and to the licences of authorised electricity operators by the Secretary of State pursuant to the power vested in him under section 15A of the Act;
 - (b) any conditions imposed by any exemption from the requirement to hold any such licence; and
 - (c) the matters envisaged by such modifications and conditions.
4. The programme implementation scheme may include provisions, *inter alia*,
 - (a) to secure or facilitate the amendment of any of the core industry documents;
 - (b) to secure that any systems, persons or other resources employed in the implementation of the Pooling and Settlement Agreement may be employed in the implementation of the BSC;
 - (c) for the giving of the indemnities against liabilities to which parties to the Pooling and Settlement Agreement may be exposed;
 - (d) for securing the co-ordinated and effective commencement of implementation of and operations under the BSC, including the testing,

trailing and start-up of the systems, processes and procedures employed in such implementation and employed by authorised electricity operators and others in connection with such operations;

- (e) for co-ordinating the administration and implementation of the BSC and the administration of the Pooling and Settlement Agreement;
 - (f) for the licensee to refer to the Authority for determination, whether of its own motion or as provided in the programme implementation scheme, disputes, as to matters covered by the scheme, between persons who are required (by conditions of their licences or exemptions) or who have agreed to comply with the scheme or any part of it; and
 - (g) for the Authority, in the circumstances set out in the scheme, to require that consideration be given to the making of a proposal to modify the BSC and, if so, to require the making of such proposal in the manner set out in the scheme, such power to be exercisable at any time within the period of 12 months after the start of the first period for trading under the BSC as determined by the Secretary of State.
5. (a) The Secretary of State may at any time direct, in accordance with the provisions of the programme implementation scheme, that the programme implementation scheme be modified in the manner set out in such direction, in order to give (or continue to give) full and timely effect to the matters described in paragraph 3.
- (b) The Secretary of State 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.
6. If there is any conflict between the requirements contained in the programme implementation scheme pursuant to paragraph 4(a) and/or imposed on the licensee by paragraphs 2 and 5 of this condition, and those imposed on the licensee by any other condition, the provisions of paragraph(s) 4(a), 2 and/or 5 (as appropriate) shall prevail.

7. Without prejudice to paragraph 2, the licensee shall use all reasonable endeavours to do such things as may be requisite and necessary in order to give full and timely effect to the modifications made to this licence as determined by the Secretary of State pursuant to the power vested in him under section 15A of the Act (and to give full and timely effect to the matters envisaged by such modifications).

8. In this condition:

"BSC" means the balancing and settlement code required to be in place, pursuant to the transmission licence granted to the ~~transmission company in England and Wales~~ system operator, as from time to time modified.

"BSC Framework Agreement" means the agreement of that title, in the form approved by the Secretary of State, by which the BSC is made contractually binding between the parties to that agreement, as from time to time amended, with the consent of the Secretary of State.

"core industry documents" mean those documents which:

- (a) in the Secretary of State's opinion are central industry documents associated with the activities of the licensee and authorised electricity operators, the subject matter of which relates to or is connected with the BSC or the balancing and settlement arrangements, and
- (b) have been so designated by the Secretary of State.

Condition 11. Change Co-ordination for ~~NETA~~BSC

1. Insofar as the licensee shall distribute or offer to distribute electricity within any area of ~~England and Wales~~Great Britain, the licensee shall take all reasonable measures to secure and implement (consistently with the procedures applicable under or in relation to the core industry documents to which it is party (or in relation to which it holds rights in respect of amendment), as modified or replaced from time to time), and shall not take any steps to prevent or unduly delay, changes to those documents, such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the BSC.

2. For the purposes of paragraph 1, core industry documents has the meaning given in paragraph 8 of standard condition 10 (Balancing and Settlement Code and NETA Implementation).

Condition 14. Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement

1. The licensee shall be a party to and shall comply with the provisions of the Master Registration Agreement.
2. The licensee shall establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, a service to be known as the "Metering Point Administration Service".
3. The Metering Point Administration Service shall fulfil the following functions:
 - (a) the maintenance of such a register of technical and other data as is necessary to facilitate supply by any electricity supplier to all premises connected to the licensee's distribution system and to meet the reasonable requirements of electricity suppliers in respect of such premises for information for settlement purposes, including (where so required):
 - (i) the identity of the electricity supplier responsible under the Balancing and Settlement Code (where the premises are within ~~England and Wales~~[Great Britain](#)) and/or the Settlement Agreement for Scotland (where the premises are within Scotland) for the metering point at such premises;
 - (ii) the type of metering equipment installed at each such premises; and
 - (iii) a unique and accurate address of each such premises so far as is reasonably practicable having regard to the nature and source of the information provided to the licensee;
 - (b) the amendment of the register maintained in accordance with sub-paragraph (a) to reflect changes of electricity supplier in respect of any premises;
 - (c) the provision, in a timely and efficient manner, of such data contained in the register as is reasonably required and requested to:
 - (i) any electricity supplier or agent thereof;

- (ii) any person identified in the Balancing and Settlement Code (where the premises are within ~~England and Wales~~Great Britain) and/or the Settlement Agreement for Scotland (where the premises are within Scotland) as an appropriate person for the receipt of data for settlement purposes;
 - (iii) any person identified in the Master Registration Agreement as entitled to such data for the purpose of facilitating changes of electricity supplier in respect of any premises; and
- (d) the maintenance of an enquiry service for the provision to any customer or an electricity supplier, on request and free of charge to that customer, of such data contained in the register as is relevant to the supply of electricity to premises which are (or are to be) owned or occupied by the customer, and the taking of such steps as will in the opinion of the licensee secure adequate publicity for the operation of the enquiry service.

Condition 14C. Requirement to Offer Terms for the Provision of Metering Point Administration Services

1. This condition sets out the obligations relating to the metering point administration services pursuant to and in accordance with the Master Registration Agreement.
2. On application made by any electricity supplier for any premises connected to the licensee's distribution system, the licensee shall (subject to paragraph 5) offer to enter into an agreement for the provision of metering point administration services.
3. In making an offer pursuant to this condition to enter into an agreement, the licensee shall set out:
 - (a) the date by which the metering point administration services required shall be provided (time being of the essence, unless otherwise agreed between parties);
 - (b) the charges to be paid in respect of the metering point administration services required, such charges (unless manifestly inappropriate):
 - (i) to be presented in such a way as to be referable to the statement prepared in accordance with paragraph 1 of standard condition 14A (Basis of Charges for Metering Point Administration Services: Requirements for Transparency) or any revision thereof;
 - (ii) to be in conformity with the requirements of standard condition 14A (Basis of Charges for Metering Point Administration Services: Requirements for Transparency).
 - (c) such other detailed terms in respect of each of the metering point administration services required as are or may be appropriate for the purpose of the agreement.
4. The licensee shall offer terms for an agreement in accordance with paragraph 2 as soon as practicable and (save where the Authority consents to a longer period) in any event not more than 28 days after receipt by the licensee (or its agent) from an

electricity supplier of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.

5. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement if to do so would be likely to involve the licensee being:
 - (a) in breach of its duties under section 9 of the Act;
 - (b) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the distribution business;
 - (c) in breach of ~~any~~the Grid Code or any Distribution Code; or
 - (d) in breach of the conditions.
6. The licensee shall undertake metering point administration services in the most efficient and economic manner practicable having regard to the alternatives available and the other requirements of the licence and of the Act in so far as they relate to the provision of such services.
7. In the provision of metering point administration services the licensee shall not restrict, distort or prevent competition in the supply of electricity.

Condition 15. Compliance with the Grid ~~Codes~~Code

1. The licensee shall comply with the provisions of ~~every~~the Grid Code in so far as applicable to it.
2. The Authority may (following consultation with ~~the~~any transmission ~~company~~
~~responsible for the relevant Grid Code~~licensee likely to be affected) issue directions relieving the licensee of its obligation under paragraph 1 in respect of such parts of ~~such~~the Grid Code and to such extent and subject to such conditions as may be specified in those directions.

Condition 26. Compliance with CUSC

1. Insofar as the licensee distributes or offers to distribute to any premises situated in ~~England and Wales~~ Great Britain, the licensee shall be a party to the CUSC Framework Agreement and shall comply with the CUSC ~~and, if it is party to the agreement known as the Master Connection and Use of System Agreement ("MCUSA"), execute such other documents as shall be stated as required to be made in any direction issued by the Authority to enable the MCUSA and its supplemental agreements and ancillary service agreements (as defined or referred to in MCUSA) and any associated agreements derived from MCUSA to be amended appropriately into the CUSC Framework Agreement, CUSC, bilateral agreements, construction agreements and, so far as is appropriate, associated agreements derived from CUSC so as to maintain continuity of contractual relationships.~~
2. The licensee shall take all reasonable steps to secure and implement (consistently with the procedures applicable under or in relation to the core industry documents to which it is a party (or in relation to which it holds rights in respect of amendment) as modified or replaced from time to time), and shall not take any steps to prevent or unduly delay, changes to those documents, such changes being changes which are appropriate in order to give full and timely effect to and/or in consequence of any modification which has been made to the CUSC.
3. For the avoidance of doubt, paragraph 2 is without prejudice to any rights of approval, veto or direction in respect of proposed changes to the core industry documents which the Authority may have.
4. In this condition:

~~"bilateral agreement"~~

~~means an agreement between the holder of a transmission licence in England and Wales and a CUSC user supplemental to the CUSC relating to a direct connection to that transmission system identifying the relevant connection site and setting out other site specific details in relation to that~~

<p>"construction agreement"</p>	<p>connection to the transmission system, including provisions relating to payment of connection charges.</p> <p>means an agreement between the holder of a transmission licence in England and Wales and a CUSC user in respect of construction works required on that transmission system and the associated construction works of the CUSC user in relation to a connection to the transmission system or in relation to a generating station connected to a distribution system in England and Wales, whether for the initial connection or a modification of the connection.</p>
<p>"core industry documents"</p>	<p>means those documents which have been designated by the Secretary of State as such.</p>
<p>"CUSC"</p>	<p>means the Connection and Use of System Code required to be in place pursuant to the transmission licence granted to the transmission company in England and Wales<u>system operator</u>, as from time to time modified.</p>
<p>"CUSC Framework Agreement"</p>	<p>means the agreement of that title, in the form approved by the Secretary of State, by which the CUSC is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State.</p>

Condition 36B. Requirement to offer Terms for the Provision of Distributor Metering and Data Services

1. This condition sets out the obligations relating to the following services:
 - (a) the provision of metering equipment which, at the discretion of the licensee, may be metering equipment which is owned by him or by any person other than the person making such application;
 - (b) the installation, commissioning, testing, repair, maintenance, removal and replacement of metering equipment;
 - (c) metering point administration services pursuant to and in accordance with the Master Registration Agreement; and
 - (d) data transfer services.
2. On application made by any person, the licensee shall (subject to paragraph 6) offer to enter into an agreement for the provision within its distribution services area of such of the services described in sub-paragraphs 1(a), (b) and (c) as may be required.
3. On application made by any person the licensee shall (subject to paragraph 6) offer to enter into an agreement for the provision of data transfer services.
4. In making an offer pursuant to this condition to enter into any agreement, the licensee shall set out:
 - (a) the date by which the services required shall be provided (time being of the essence, unless otherwise agreed between parties);
 - (b) the charges to be paid in respect of the services required, such charges (unless manifestly inappropriate):
 - (i) to be presented in such a way as to be referable to the statements prepared in accordance with paragraph 1 of standard condition 36 (Basis of Charges for Distributor Metering and Data Services: Requirements for Transparency) or any revision thereof;

- (ii) to be set in conformity with the requirements of standard condition 36 (Basis of Charges for Distributor Metering and Data Services: Requirements for Transparency); and
 - (c) such other detailed terms in respect of each of the services required as are or may be appropriate for the purpose of the agreement.
- 5. The licensee shall offer terms for agreements in accordance with paragraphs 2 and 3 as soon as practicable and (save where the Authority consents to a longer period) in any event not more than 28 days after receipt by the licensee (or its agent) from any person of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.
- 6. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement if to do so would be likely to involve the licensee being:
 - (a) in breach of its duties under section 9 of the Act;
 - (b) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the distribution business;
 - (c) in breach of ~~any~~the Grid Code or any Distribution Code; or
 - (d) in breach of the conditions.
- 7. The licensee shall undertake each of the services referred to in paragraph 1 in the most efficient and economic manner practicable having regard to the alternatives available and the other requirements of the licence and of the Act in so far as they relate to the provision of those services.
- 8. In the provision of any of the services referred to in paragraph 1 the licensee shall not restrict, distort or prevent competition in the supply of electricity.
- 9. The services referred to in paragraph 1 shall collectively be referred to as the distributor metering and data services. For the avoidance of doubt distributor

metering and data services as referred to in this licence excludes data retrieval, data processing and data aggregation.

10. In this condition:

"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 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 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.

Condition 38. Establishment of a Data Transfer Service

1. The licensee shall use its best endeavours, in conjunction and co-operation with all other distribution services providers:
 - (a) to establish, or to procure the establishment of, a service to be known as the data transfer service; and
 - (b) subsequently to operate and maintain, or to procure the subsequent operation and maintenance of, such data transfer service in accordance with the provisions of this condition.

2. The data transfer service shall:
 - (a) provide a network over which may be made all of the electronic data transfers specified at paragraph 3;
 - (b) operate and maintain that network; and
 - (c) provide a connection to that network, on request, to any person who is or will be a party to any of the electronic data transfers specified at paragraph 3.

3. The electronic data transfers specified at this paragraph are those which are reasonably required for any of the purposes set out at paragraph 4 and which are made between:
 - (a) a Metering Point Administration Service operator and an electricity supplier or any agent thereof;
 - (b) a Metering Point Administration Service operator and any person identified in the Balancing and Settlement Code or the Settlement Agreement for Scotland as an appropriate person for the receipt of data from the Metering Point Administration Service operator for settlement purposes;
 - (c) ~~any~~ a transmission ~~company~~ licensee (or any agent thereof) or Scottish Electricity Settlements Limited or its successor in title (or any agent thereof) and an electricity supplier (or any agent thereof);

- (d) an electricity supplier (or any agent thereof) and another electricity supplier (or any agent thereof);
 - (e) an electricity supplier and any of its agents;
 - (f) different agents of the same electricity supplier;
 - (g) electricity suppliers (or their agents) and generators (or their agents) which are parties to the Settlement Agreement for Scotland; and
 - (h) Scottish Electricity Settlements Limited or its successor in title (or any agent thereof) and any person (or any agent thereof) who is a party to or complies with the Settlement Agreement for Scotland.
4. The purposes of this paragraph are to:
- (a) meet obligations with respect to the transfer of data for settlement purposes;
 - (b) communicate meter reading and meter standing data;
 - (c) facilitate the provision of metering point administration services;
 - (d) communicate distribution use of system information; and
 - (e) fulfil such other requirements relating to the transfer of data as may be requisite for the supply of electricity to customers and compliance by electricity suppliers with the Master Registration Agreement.
5. The data transfer service shall, where relevant, transmit data in a form which complies with the provisions of the data transfer catalogue.
6. In fulfilling its obligations under paragraph 1 the licensee shall not, or (if appropriate) shall ensure that any third party acting on the licensee's instruction or behalf shall not, restrict, distort or prevent competition in the provision of meters, meter maintenance, data retrieval, data processing, data aggregation or prepayment meter services and markets for any of the distributor metering and data services.

7. Any obligation placed on the licensee under standard conditions 36A to 36C in respect of the provision of the data transfer service shall (for the purposes of those conditions) be treated as a requirement on the licensee to use its best endeavours, in conjunction and co-operation with all other distribution services providers, to fulfil that obligation or to procure the fulfilment of that obligation by a third party, and standard conditions 36A to 36C shall apply *mutatis mutandis* to the provision of data transfer services by the distribution services providers acting co-operatively and by means of procurement of third party services.

8. Further, in relation to the provision of data transfer services the reference at paragraph 1 of standard condition 36C (Functions of the Authority) to the licensee failing to enter into an agreement shall be a reference to the licensee, in conjunction with all other distribution services providers, failing to enter into, or failing to procure that a third party enters into, an agreement for the provision of those services.

9. In this condition:

"Metering Point Administration Service operator" means the licensee or any other distribution services provider in its capacity as a provider of metering point administration services.