

**Standard Condition B16 – Price Control Revenue Reporting and associated Information**

**PART A: Application and Purpose**

1. The purpose of this condition is to secure the collection of specified information, to an appropriate degree of accuracy by the licensee so as to enable the Authority to effectively monitor the revenue of the consolidated transmission business.

**PART B: Revenue Reporting rigs and specified information**

2. For the purposes of this condition:
  - (a) “revenue reporting rigs” means the instructions and guidance issued by the Authority for the purposes of this condition as modified from time to time by a direction under paragraph 11 and subject to paragraphs 12 - 14 which may include (without limitation):
    - (i) provisions with respect to the meaning of words and phrases used in defining specified information;
    - (ii) requirements for recording specified information which are reasonably necessary to enable an appropriate auditor to determine the accuracy and reliability of specified information;
    - (iii) requirements as to the form and manner in which specified information shall be provided to the Authority (including templates for doing so); and
    - (iv) requirements as to the form and manner in which specified information shall be recorded and the standards of accuracy and reliability with which it shall be recorded.
3. The licensee shall establish and maintain appropriate systems, processes and procedures to measure and record specified information from [DATE TO BE INSERTED] and in accordance with the regulatory instructions and guidance (including any associated information therein) for the time being in force pursuant to this condition.
4. The licensee shall collect the information required by the revenue reporting rigs issued pursuant to this condition from the date on which such revenue reporting rigs are issued by the Authority.

**PART C : Information to be provided to the Authority**

5. The licensee shall comply with the relevant provisions and information requirements of the revenue reporting rigs issued pursuant to this condition.
6. The licensee shall provide the Authority with:
  - (a) the information specified in Template [XX] of the revenue reporting rigs by no later than 31 July following the end of the relevant year to which such information relates;
  - (b) the information specified in Template [XX] of the revenue reporting rigs by no later than 1 April of the relevant year to which such information relates, being the licensee's estimate of that information made on or before 1 April.

**PART D: Audit Requirements**

7. The information referred to in paragraph 6(a) shall be accompanied by a report addressed to the Authority from the auditors, stating whether in their opinion:
  - (a) the information provided in accordance with paragraph 6 has been properly prepared; and
  - (b) the amounts presented are in accordance with the licensee's records which have been maintained in accordance with paragraph 3 of this condition
8. The licensee shall require that the report from the auditors, referred to in paragraph 7, is accompanied by a letter from the auditors to the Authority detailing the procedures that the auditors have followed in reaching their opinion.
9. For the purposes of paragraph 7, the licensee shall at its own expense enter into a contract of appointment with the auditors which includes a term requiring that the audit be conducted in accordance with all relevant auditing standards in force on the last day of the financial year to which the audit relates as would be appropriate.

10. The licensee shall (and must procure, insofar as it is able to do so, that any affiliate or related undertaking of the licensee shall) co-operate fully with the auditors so as to enable them to complete and report to the Authority on any audit carried out in accordance with paragraph 7.

**PART E: Modification to the revenue reporting rigs**

11. Where the Authority considers that the revenue reporting rigs should be modified in such ways as are necessary to more effectively achieve the purposes of this condition, the Authority may, subject to paragraphs 12 to 14, modify the revenue reporting rigs by issuing a direction to all transmission licensees.

12. Before issuing a direction under paragraph 11, the Authority, by notice given to all transmission licensees, shall:

- (a) state that it proposes to make a modification, and set out the date on which it proposes that this should take effect;
- (b) set out the text of the modification, the purpose and effect of the modification, and the reasons for proposing it; and
- (c) specify the time (not less than 28 days from the date of the notice) within which representations or objections with respect to the proposed modification may be made,

and consider any representations or objections which have been duly made and are not withdrawn, and give reasons for its decision.

13. Any modification of the revenue reporting rigs under paragraph 11 to introduce an additional category of specified information or to enlarge an existing category of information shall not exceed what may reasonably be requested from the licensee by the Authority under paragraph 1 of standard condition B4 (Provision of Information to the Authority).
14. The provisions of the revenue reporting rigs may not exceed what is necessary to achieve the purposes of this condition or purport to have effect with respect to the interpretation of any other condition of this licence or the fulfilment by the

licensee of any obligation imposed in respect of any matter which is the subject of any such condition.

15. For the purposes of this condition

“consolidated transmission business” has the meaning given in paragraph 14 of standard condition B1 (Regulatory Accounts).

“relevant year” in this condition shall mean a year beginning on 1<sup>st</sup> April of each calendar year and ending on 31<sup>st</sup> March of the following calendar year...