

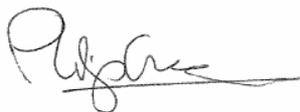
NOTICE UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

The Gas and Electricity Markets Authority ("the Authority") hereby gives notice pursuant to section 11A(3) & (4) of the Electricity Act 1989 ("the Act") as follows:

1. The Authority proposes to modify all **distribution** licences granted or treated as granted under section 6(1)(c) of the Act, by amending the following standard licence conditions (SLCs) as set out in Appendix 1 to this notice:
 - a SLC 1 (Definitions and Interpretation);
 - b SLC 4B (Connection Charging Methodology);
 - c SLC 4D (Requirement to Offer Terms for Use of System and Connection);
 - d SLC 36 (Requirement to Offer Terms for the Provision of Basic Metering Services);
 - e SLC 36A (Requirement to Offer Terms for the Provision of Data Services);
 - f SLC 36B (Non-Discrimination in the Provision of Basic Metering Services and Data Services);
 - g SLC 36C (Basis of Charges for Basic Metering Services and Data Services (Requirements for Transparency));
 - h SLC 36D (Provision of Basic Metering and Data Services – Functions of the Authority); and
 - i SLC 50 (Price Control Revenue Reporting and Associated Information).
2. The proposed modifications involve:
 - a adding a new term and definition for "legacy basic meter asset provision" in SLC1;
 - b amending the definitions of "basic meter asset provision" and "basic meter operation" in SLC1, to fully define these services without referring to SLC36;
 - c amending the definition of "distribution business" in SLC1, to add the services of "basic meter asset provision" and "basic meter operation" without referring to SLC36;
 - d amending SLC 36 to clarify that the obligation to offer terms for basic metering services, and the price controls on these services, now apply only to the provision of meters installed on or before 31 March 2007 ("legacy basic meter asset provision");
 - e making consequential modifications to SLCs 1, 4B, 4D, 36A, 36B, 36C, 36D, and 50, such that references to "basic metering services" now change to "legacy basic meter asset provision"; and

- f making any necessary incidental or consequential modifications to any standard licence condition for the accurate and correct numbering and referencing of such condition.
3. This notice is coterminous with a separate notice under section 11 of the Act that is also available (free of charge) on the Ofgem website and which proposes to modify, with respect to metering obligations and price controls, the special conditions of the licence of each electricity distributor that has a specified distribution services area.
 4. The reasons why the Authority proposes to make these licence modifications are set out in the following documents which are available (free of charge) on the Ofgem website:
 - a "Early replacement of electricity prepayment meters and removal of electricity metering obligations: Proposed licence amendments", published on 20 February 2007;
 - b Ofgem open letter, "Licence amendments relating to PPM premature replacement and removal of electricity metering obligations – Early draft", 23 January 2007;
 - c Ofgem open letter, "Licence amendments relating to PPM premature replacement and removal of electricity metering obligations – Update", 11 January 2007; and
 - d Ofgem open letter, "Proposed amendments to the distribution licence in light of removal of electricity metering obligations", 20 December 2006.
 5. In summary, the licence modifications are intended to clarify the ongoing obligations on electricity distributors who have a distribution services area specified in their licence, with respect to electricity metering services, once the controls on provision of new and replacement meters and meter operation services expire on 31 March 2007.
 6. The effect of the proposed modifications is to make clear that from 1 April 2007, following the cessation of existing licence obligations regarding basic meter operation services and basic meter asset provision for new and replacement meters, electricity distributors will retain obligations for basic meter asset provision regarding meters installed on or before 31 March 2007 ("legacy basic meter asset provision"), and the definition of a distribution business will effectively remain unchanged and will continue to include basic meter operation services and basic meter asset provision for both legacy and new and replacement meters.
 7. "Relevant licence holders" for the purposes of giving notice of objection to the modification proposals regarding the conditions set out in sub-paragraphs 1(a) to 1(c) of this notice are all electricity distributors.
 8. "Relevant licence holders" for the purposes of giving notice of objection to the modification proposals regarding the conditions set out in sub-paragraphs 1(d) to 1(i) of this notice are all electricity distributors who at the expiration of this notice have a distribution services area specified in their licence.
 9. A pro forma that relevant licence holders may wish to use in order to register a statutory objection is attached as Appendix 2 to this notice.
 10. A copy of this notice and the documents referred to in it are available (free of charge) from the Ofgem library (telephone 020 7901 7003) or on the Ofgem website (www.ofgem.gov.uk).

11. Any representations or objections to the proposed licence modifications must be made in writing (preferably in electronic form) on or before 20 March 2007, to: Duncan Mills, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to duncan.mills@ofgem.gov.uk.
12. All responses will normally be published on Ofgem's website and held in the Ofgem Research and Information Centre. However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication.



.....
Philip Davies, Director, Markets

**Duly authorised on behalf of the
Gas and Electricity Markets Authority**

20 February 2007

Appendix 1 – Proposed Changes to the Distribution Licence Standard Conditions

Key: Unmodified Text

Inserted Text

~~Deleted Text~~

ELECTRICITY DISTRIBUTION LICENCE: STANDARD CONDITIONS

PART II. THE STANDARD CONDITIONS

SECTION A. INTERPRETATION, APPLICATION AND PAYMENTS

Standard 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 sections 736, 736A and 736B of the Companies Act 1985.
“Application Regulations”	means the Electricity (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2004, or any amendment or replacement thereof for the time being in force pursuant to section 6A of the Act.
“appropriate auditor”	for the purposes of Section C only, has the meaning given in paragraph 8 of standard condition 42 (Regulatory Accounts).
“appropriate time”	for the purposes of standard condition 39 only

	(Restriction on Use of Certain Information and Independence of the Distribution Business), 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 of the Act, or by exemption granted under section 5 thereof.
“authorised electricity operator”	means any person (other than the licensee) who is authorised to generate, participate in the transmission of, distribute, or supply electricity or participate in the operation of an interconnector and includes any person who has made an application to be so authorised which has not been refused and any person transferring electricity to or from or across an interconnector or who has made an application for use of an interconnector which has not been refused.
the “Authority”	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000.
“basic meter asset provision”	<u>for the purposes of Section C only, the service of basic meter asset provision comprises the provision of metering equipment (which at the discretion of the licensee, may be metering equipment which is owned by him or by any other person other than the person making the application for basic meter asset provision services), where the metering equipment is of the same functionality as that provided by the licensee on 1 June 2003. For the avoidance of doubt, the service of basic meter asset provision includes the service of “legacy basic meter asset provision”, as defined in paragraph 3 of standard</u>

	<p><u>condition 36 (Requirement to Offer Terms for Legacy Basic Meter Asset Provision) has the meaning given in paragraph 3(a) of standard condition 36 (Requirement to Offer Terms for the Provision of Basic Metering Services).</u></p>
<p>“basic meter operation”</p>	<p><u>the services of basic meter operation comprise the installation, commissioning, testing, repair, maintenance, removal and replacement of metering equipment, where these services are of the same standard of performance, quality and timeliness as that of the services provided by the licensee on 1 June 2003, for the purposes of Section C only, has the meaning given in paragraph 3(b) of standard condition 36 (Requirement to Offer Terms for the Provision of Basic Metering Services).</u></p>
<p>“BETTA”</p>	<p>means the British electricity trading and transmission arrangements, being those arrangements which are provided for in Chapter 1 of Part 3 of the Energy Act 2004.</p>
<p>“BETTA go-live date”</p>	<p>means the date which the Secretary of State indicates in a direction shall be the BETTA go-live date.</p>
<p>“British Grid Systems Agreement”</p>	<p>for the purposes of standard condition 30B (BETTA Run-off Arrangements Scheme) only, has the meaning given in that condition.</p>
<p>“BSC”</p>	<p>for the purposes of Section B only, has the meaning given in standard condition 10 (Balancing and Settlement Code and NETA Implementation).</p>
<p>“ BSC Framework Agreement”</p>	<p>for the purposes of standard condition 10 (Balancing and Settlement Code and NETA Implementation) only, has the meaning given in that condition.</p>
<p>“charge restriction conditions”</p>	<p>has the same meaning as in special condition A1</p>

	(Definitions and interpretation).
“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.
“Consumer Council”	means the Gas and Electricity Consumer Council established under section 2 of the Utilities Act 2000.
“convenience customers”	means customers supplied or requiring to be supplied at any premises which are directly connected to the licensee’s distribution system but are 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 BSC) 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) and standard condition BA6 (Indebtedness) 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”	for the purposes of standard condition 49 (Quality of Service Incentive Scheme and Associated Information) and special condition C2 (Calculation of the charge restriction adjustments arising from performance in respect of quality of service) only, has the meaning given in the quality of service rigs, otherwise, means any person supplied or requiring to be supplied with electricity at any premises in Great Britain, but does not include any authorised electricity operator in its capacity as such.
“data aggregation”	has the meaning given in standard condition 36A (Requirement to Offer Terms for the Provision of Data Services).
“data processing”	has the meaning given in standard condition 36A (Requirement to Offer Terms for the Provision of Data Services).
“data retrieval”	has the meaning given in standard condition 36A

	(Requirement to Offer Terms for the Provision of Data Services).
“data services”	for the purposes of Section C only, has the meaning given in standard condition 36A (Requirement to Offer Terms for the Provision of 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.
“de minimis business”	for the purposes of Section C only, has the meaning given in paragraph 4(a) of standard condition 43 (Restriction on Activity and Financial Ring Fencing)
“DG”	for the purposes of standard condition 51 (Incentive Schemes and Associated Information for Distributed Generation, Innovation Funding, and Registered Power Zones) only, has the same meaning as in special condition A1 (Definitions and interpretation).
“DG rigs”	for the purposes of standard condition 51 (Incentive Schemes and Associated Information for Distributed Generation, Innovation Funding and Registered Power Zones) only, means the regulatory instructions and guidance for the time being in force in relation to the incentive schemes established under that condition.
“directly connected”	in relation to any premises, means so connected to the licensee’s distribution system that the final connection to the premises is from that system (and “indirectly connected” means other than directly

<p>“disposal”</p>	<p>connected).</p> <p>for the purposes of standard condition 29 (Disposal of Relevant Assets) only, has the meaning given in that condition.</p>
<p>“distribution arrangements”</p>	<p>has the meaning given in standard condition 25 (Long Term Development Statement).</p>
<p>“distribution business”</p>	<p>means a business of the licensee or, in relation to sub-paragraphs (a) and (c), of any affiliate or related undertaking of the licensee, which (except to the extent otherwise specified by the Authority in a direction to the licensee) comprises any of the following activities:</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 <u>the services of basic meter asset provision (including legacy basic meter asset provision) and basic meter operation</u>the services specified in paragraph 3 of standard condition 36 (Requirement to Offer Terms for the Provision of Basic Metering Services); or (c) the provision of the services specified in paragraphs 2(a) and 2(b) of standard condition 36A (Requirement to Offer Terms for the Provision of Data Services), <p>and in any of the above cases includes any business ancillary thereto.</p>
<p>“distribution business activities”</p>	<p>means those activities of the licensee which comprise the following:</p>

|

- (a) distribution services; (excluding metering services);
- (b) metering services;
- (c) de minimis business; and
- (d) excluded services.

“Distribution Code”	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.
“distribution licence”	means a licence granted or treated as granted under section 6(1)(c) of the Act.
“distribution services”	means all services provided by the licensee as part of its distribution business other than excluded services.
“distribution services area”	has the meaning given at paragraph 5(b) of standard condition 2 (Application of Section C (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 to the points of delivery to customers or authorised electricity operators or any transmission

	licensee within Great Britain in its capacity as operator of 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 does not include any part of the GB transmission system.
“domestic customer”	means a customer supplied or requiring to be supplied with electricity at domestic premises (but excluding such customer insofar 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.
“excluded services”	means those services provided by the licensee as part of its distribution business which in accordance with special condition A2 (Scope of the charge restriction conditions) fall to be treated as excluded services.
“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 any 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).
“generation set”	means any plant or apparatus for the production of electricity and where appropriate includes a generating station comprising more than one generation set.
“Grid Code”	means a Grid Code which the system operator is required to have in place pursuant to its transmission licence.
“grid supply point”	means any point at which electricity is delivered from the GB transmission system to any distribution system.
“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) and standard condition BA6 (Indebtedness) only, has the meaning given in that condition.
“information”	means information (other than information that is

subject to legal privilege) in any form or medium whatsoever and of any description specified by the Authority, and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Authority.

“interconnector”	has the meaning given to ‘electricity interconnector’ in section 4(3E) of the Act.
“investment”	for the purposes of Section C only, has the meaning given in standard condition 43 (Restriction on Activity and Financial Ring Fencing); and for the purposes of Section BA only, has the meaning given in standard condition BA2 (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 the Licensee); and for the purposes of Section BA only, has the meaning given in standard condition BA5 (Credit Rating of Licensee).
“issuer credit rating”	for the purposes of Section C only, has the meaning given in standard condition 46 (Credit Rating of the Licensee)
<u>“legacy basic meter asset provision”</u>	<u>for the purposes of Section C only, has the meaning given in paragraph 3 of standard condition 36 (Requirement to Offer Terms for Legacy Basic Meter Asset Provision)</u>
“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 (Provision 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).

“metering services”	means services relating to the provision, operation and maintenance of metering equipment.
“non-domestic customer”	means a customer who is not a domestic customer.
“non-GB trading and transmission arrangements”	for the purposes of standard condition 30B (BETTA Run-off Arrangements Scheme) only, has the meaning given in that condition.
“other Distribution Codes”	means the distribution codes which the holders 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)); and for the purposes of Section BA only, has the meaning given in standard condition BA2 (Restriction on Activity and Financial Ring Fencing).
“price control review information”	for the purposes of standard condition 52 (Price Control Review Information) only, has the meaning given in that condition.
“quality of service rigs”	for the purposes of standard condition 49 (Quality of Service Incentive Scheme and Associated Information) only, means the regulatory instructions and guidance established under that condition.

“regulatory instructions and guidance”	for the purposes of Section C only, means any instructions and guidance issued by the Authority in relation to the collection and reporting of specified information.
“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 such property and any contractual or personal rights relating to such property or the acquisition thereof).
“relevant documents”	for the purposes of standard condition 30B (BETTA Run-off Arrangements Scheme) only, has the meaning given in that condition.
“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 Licensee to the Authority) only, has the meaning given in that condition.
“relevant year”	for the purposes of: <ul style="list-style-type: none"> (i) standard condition 3 (Payments by the Licensee to the Authority) only, has the meaning given in that condition; (ii) standard condition 48 (Last Resort Supply: Payment Claims) only, has the meaning

given in that condition; and

- (iii) standard condition 50 (Price Control Revenue Reporting and Associated Information) 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 licensee (“the owner transmission 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 licensee to a sub-station owned by the owner transmission licensee; and
- (b) are by agreement between the owner transmission licensee and the licensee or such authorised distributor operated under the direction and control of the licensee or such authorised distributor.

“revenue reporting rigs”

for the purposes of standard condition 50 (Price Control Revenue Reporting and Associated Information) only, means the regulatory instructions and guidance for the time being in force under that condition.

“running-off”

for the purposes of standard condition 30B (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.
“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 (where appropriate) the Secretary of State in accordance with standard condition A2 (Application of Section C) of the standard conditions for transmission licences.
“separate business”	for the purposes of standard condition 39 only (Restriction on Use of Certain Information and Independence of the Distribution Business), 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: <ul style="list-style-type: none"> (a) standard condition 49 (Quality of Service Incentive Scheme and Associated Information) only, has the meaning given in that condition; (b) standard condition 50 (Price Control Revenue Reporting and Associated Information) only, has the meaning given in that condition; and (c) standard condition 51 (Incentive Schemes and Associated Information for Distributed Generation, Innovation Funding and Registered Power Zones) only, has the meaning given in that condition.
“standby”	means the periodic or intermittent supply or sale of

electricity:

- (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 those met either by its own generation or by electricity supplied by an electricity supplier.

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

“supply licence”

means a 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 the Authority or (where appropriate) the Secretary of State has issued a Section C (system operator standard conditions) Direction and in which Section C remains in effect (whether or not subject to any terms included in that direction or to any subsequent variation of its terms to which the transmission licensee may be subject).

“system operation agreement”

for the purposes of standard condition 30B (BETTA Run-off Arrangements Scheme) only, has the meaning given in that condition.

“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 those met either by its own generation or by electricity supplied by an electricity supplier other than the licensee.

“transmission area”

means the area specified in special condition AA of a transmission licensee's transmission licence.

“transmission licence”

means a 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.

“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 of 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 for the purposes of sub-paragraph (b), a person
is connected with another person if he is 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 on
behalf of 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, all
as more fully described in standard conditions 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 Part 1 of the Act, the Utilities Act 2000 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 any 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;
 - (c) a provision of the standard conditions of electricity generation licences;
 - (d) a provision of the standard conditions of electricity transmission licences; or
 - (e) a provision of the standard conditions of electricity interconnector 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 of 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 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 set out 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). Accordingly:
 - (a) where 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; and
 - (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));and:
 - (b) where 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.

Standard 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 sub-paragraph (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 36 (Requirement to Offer Terms for ~~the~~ Provision of Basic Metering ServicesLegacy Basic Meter Asset Provision) or standard condition 36A (Requirement to Offer Terms for the Provision of

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 36 (Requirement to Offer Terms for ~~the Provision of Basic Metering Services~~Legacy Basic Meter Asset Provision) or standard condition 36A (Requirement to Offer Terms for the Provision of 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 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 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.

SECTION C. DISTRIBUTION SERVICES OBLIGATIONS

Standard Condition 36. Requirement to Offer Terms for ~~the Provision of Basic Metering Services~~ Legacy Basic Meter Asset Provision

1. This condition has effect on and after 1 April 2007~~5~~.
2. Without prejudice to the provisions of paragraph 11, this condition sets out the obligations of the licensee relating to the ~~provision of the services of legacy basic meter asset provision, and basic meter operation (collectively, the "basic metering services")~~.
- ~~3. For the purposes of this condition:~~
3. For the purposes of this condition, the service of legacy basic meter asset provision comprises the provision ~~(in accordance with the requirements of paragraph 4(a))~~ 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 the application under paragraph 6), where such equipment has been installed on or before 31 March 2007, and is of the same functionality as was being provided by the licensee on 1 June 2003; and
 - ~~(a) the services of basic meter operation comprise the installation, commissioning, testing, repair, maintenance, removal and replacement (in each case in accordance with the requirements of paragraph 4(b)) of metering equipment.~~
- ~~5. In relation to the licensee's discharge of its obligations under conditions 36 to 36D of this licence:~~
- ~~6. the service of basic meter asset provision provided pursuant to paragraph 3(a) shall be of the same functionality as that of the service provided pursuant to paragraph 1(a) of condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services) of this licence in the form in which it was in force on 1 June 2003; and~~

~~(a) — the services of basic meter operation provided pursuant to paragraph 3(b) shall be of the same standard of performance, quality and timeliness as that of the services provided pursuant to paragraph 1(b) of condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services) of this licence in the form in which it was in force on 1 June 2003.~~

4. For the purposes of paragraph 3, what is meant in any particular case by "the same functionality" ~~or "the same standard of performance, quality and timeliness"~~ shall be a question of fact.

~~8. — On application made by any person, the licensee shall (subject to paragraph 9):~~

5. On application made by any person, the licensee shall (subject to paragraph 8), where the person making the application is able to establish to the reasonable satisfaction of the licensee that the meters in question are required for use in relation to metering points within the distribution services area of the licensee, offer to enter into an agreement for providing the service described in paragraph 3.(a);

~~(a) — offer to enter into an agreement for providing within its distribution services area such of the services described in paragraph 3(b) as may be required.~~

6. 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 will be provided (time being of the essence, unless otherwise agreed between the parties);

(b) the charges to be paid in respect of the services required, such charges (unless manifestly inappropriate) being:

(i) presented in such a way as to be referable to the statements prepared in accordance with paragraph 1 of standard condition 36C (Basis of Charges for ~~Basic Metering Services~~Legacy Basic

Meter Asset Provision and Data Services: Requirements for Transparency) or any revision thereof; and

(ii) set in conformity with the requirements of standard condition 36C (Basis of Charges for Legacy Basic Meter Asset Provision Basic Metering Services 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 purposes of the agreement.

7. The licensee shall offer terms for agreements in accordance with paragraph 5 as soon as practicable and (except 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.

8. 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 in being:

(a) in breach of its duties under section 9 of the Act;

(b) in breach either of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards that is applicable in respect of the distribution business;

(c) in breach of the Grid Code or any Distribution Code; or

(d) in breach of the conditions.

9. The licensee shall undertake ~~each of the services~~ referred to in paragraph 3 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 insofar as they relate to the provision of ~~those that~~ services.

10. In providing ~~any of the services~~ referred to in paragraph 1, the licensee shall not restrict, distort or prevent competition in the supply of electricity.
11. Where, in relation to any metering point within the licensee's distribution services area, a person (including, if that person is a company, an affiliate or a related undertaking of the company) who is party to an agreement with the licensee for the provision of the services of legacy basic meter asset provision ~~and basic meter operation~~ pursuant to this condition appoints, in accordance with the provisions of the Master Registration Agreement, a provider other than the licensee of the service described at paragraph 3, notwithstanding anything in this condition, the licensee shall be under no obligation thereafter to offer to enter into any such agreement with that person for the provision of that service ~~or (as the case may be) those services~~ in relation to that metering point.
- ~~16. — An appointment made in accordance with the provisions of the Master Registration Agreement, after 28 June 2004 and before this condition takes effect, of a provider other than the licensee of any of the services provided pursuant to paragraph 1(a) or (b) of condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services) of this licence in the form in which it was in force on 1 June 2003 shall be treated, for the purposes of paragraph 12 of this condition, as an appointment which did not have effect until 1 April 2005.~~

~~For the avoidance of doubt, nothing in this condition:~~

12. For the avoidance of doubt, nothing in this condition affects the continuing obligations of the licensee in respect of the provision of the services of legacy basic meter asset provision ~~and/or basic meter operation~~ for each ~~and~~ metering point within its distribution services area at in respect of which the circumstances specified in paragraph 11 do not apply. ~~;~~ ~~or~~

~~prevents the licensee from offering to enter into and entering into an agreement with any person, whether on the application of that person under paragraph 6 or otherwise, for the provision of the service of basic meter asset provision or the~~

~~services of basic meter operation of a functionality or (as the case may be) standard of performance, quality and timeliness higher than that provided previously within the meaning of paragraph 4.~~

~~18. The obligations of the licensee in relation to the provision of:~~

~~(a) the service of basic meter asset provision (except for meters provided prior to 31 March 2007); and~~

~~(b) the services of basic meter operation;~~

~~— pursuant to this condition shall cease to have effect on 31 March 2007 unless the Authority issues a direction for the purposes of this condition not less than six months before that date that it considers that the cessation of those obligations would be likely to be detrimental to the interests of consumers.~~

13. For the avoidance of doubt, references to “meter” in this condition and conditions 36A to 36D do not include references to any meter or metering equipment that is configured to record the quantity of electricity supplied to premises during each half-hour period of supply.

Standard Condition 36A. Requirement to Offer Terms for the Provision of Data Services

1. The purpose of this condition is to set out the obligations of the licensee relating to the provision of data services.
2. For the purposes of this condition, data services comprise:
 - (a) metering point administration services pursuant to and in accordance with the provisions of the Master Registration Agreement; and
 - (b) data transfer services.
3. On application made by any person, the licensee shall (subject to paragraph 7) offer to enter into an agreement for the provision within its distribution services area of metering point administration services pursuant to and in accordance with the provisions of the Master Registration Agreement.
4. On application made by any person, the licensee shall (subject to paragraph 7) offer to enter into an agreement for the provision of data transfer services.
5. 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 the parties);
 - (b) the charges to be paid in respect of the services required, such charges (unless manifestly inappropriate) being:
 - (i) presented in such a way as to be referable to the statements prepared in accordance with paragraph 1 of standard condition 36C (Basis of Charges for Legacy Basic Meter Asset Provision ~~Basic Metering Services~~ and Data Services: Requirements for Transparency) or any revision thereof, and

(ii) set in conformity with the requirements of standard condition 36C (Basis of Charges for Legacy Basic Meter Asset Provision Basic Metering Services 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 purposes of the agreement.

6. The licensee shall offer terms for agreements in accordance with paragraph 3 and 4 as soon as practicable and (except 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.
7. 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 in being:
 - (a) in breach of its duties under section 9 of the Act;
 - (b) in breach either 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 Grid Code or Distribution Code; or
 - (d) in breach of the conditions.
8. The licensee shall undertake each of the services referred to in paragraph 2 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 insofar as they relate to the provision of those services.
9. In the provision of any of the services referred to in paragraph 2, the licensee shall not restrict, distort or prevent competition in the supply of electricity.

10. The services referred to in paragraph 2 shall collectively be referred to as the data services. For the avoidance of doubt, data services as referred to in this licence exclude the services of data aggregation, data processing and data retrieval.

11. In this condition:

“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.

Standard Condition 36B. Non-Discrimination in ~~the Provision of Legacy Basic Meter Asset Provision Basic Metering Services~~ and in the Provision of Data Services

1. In ~~providing any of the basic metering services~~legacy basic meter asset provision and the provision of data services, the licensee shall not discriminate between any persons or class or classes of person.

2. Without prejudice to paragraph 1, and subject to the provisions of standard condition 36C (Basis of Charges for Legacy Basic Meter Asset Provision Basic Metering Services and Data Services: Requirements for Transparency), the licensee shall not make charges for ~~providing any of the basic metering services~~legacy basic meter asset provision and the provision of data services to any person or class or classes of person which differ from the charges for such provision to any other person or class or classes of person except insofar as such differences reasonably reflect differences in the costs associated with such provision.

Standard Condition 36C. Basis of Charges for ~~Basic Metering Services~~ Legacy Basic Meter Asset Provision and Data Services: Requirements for Transparency

1. The licensee shall as soon as practicable prepare statements in a form approved by the Authority setting out the basis upon which charges will be made for ~~the provision of each of the basic metering services~~ legacy basic meter asset provision and the provision of data services, in each case in such form and with such detail as shall be necessary to enable any person to make a reasonable estimate of the charges which the person would become liable to pay for the provision of such services and of the other terms, likely to have a material impact on the conduct of the person's business, upon which the services would be provided and (without prejudice to the foregoing) including the information required under paragraph 2.
2. The statements referred to at paragraph 1 shall include a schedule of charges for ~~each of the basic metering services~~ legacy basic meter asset provision and the provision of data services respectively, together with an explanation of the methods by which and the principles on which such charges will be calculated.
3. The Authority may, upon the written request of the licensee, issue a direction relieving the licensee of its obligations under paragraph 1 to such extent and subject to such terms and conditions as the Authority may specify in that direction.
4. The licensee shall not in setting its charges for, or in setting the other terms that will apply to, ~~the provision of any of the basic metering services~~ legacy basic meter asset provision and the provision of data services, restrict, distort or prevent competition in the generation, distribution or supply of electricity or in the provision of meter equipment, meter maintenance or data retrieval services.
5. The licensee:

- (a) shall, at least once in every year, review the information set out in the statements prepared in accordance with paragraph 1 in order to ensure that the information set out in them continues to be accurate in all material respects; and
 - (b) may, with the approval of the Authority, from time to time alter the form of such statements.
- 6. The licensee shall send a copy of any statement prepared in accordance with paragraph 1, and of each revision of such statement, to the Authority.
- 7. The licensee shall give or send a copy of any statement prepared in accordance with paragraph 1, or (as the case may be) of the latest revision of such statement, to any person who requests a copy.
- 8. The licensee may make a charge for any statement given or sent pursuant to paragraph 7 of an amount which shall not exceed the amount specified in directions issued by the Authority for the purposes of this condition based on the Authority's estimate of the licensee's reasonable costs of providing such statement.

Standard Condition 36D. ~~Provision of Basic~~ Legacy Basic Meter Asset Provision Metering and the Provision of Data Services – 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 36 (Requirement to Offer Terms for ~~the~~ Legacy Basic Meter Asset Provision~~Provision of Basic Metering Services~~) or standard condition 36A (Requirement to Offer Terms for the Provision of Data Services), 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 relevant) regard in particular to the following considerations:
 - (a) 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 9 of standard condition 36 (Requirement to Offer Terms for ~~the~~ Legacy Basic Meter Asset Provision~~Provision of Basic Metering Services~~) or paragraph 6 of standard condition 36A (Requirement to Offer Terms for the Provision of Data Services); and
 - (b) 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 36 (Requirement to Offer Terms for ~~the~~ Provision of Basic Metering Services~~Legacy Basic Meter Asset Provision~~) and standard condition 36A (Requirement to Offer Terms for the Provision of Data Services) 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 36 (Requirement to Offer Terms for ~~the~~ Legacy Basic Meter Asset Provision~~Provision of Basic Metering Services~~) and condition 36A (Requirement to Offer Terms for the Provision of Data Services) wishes to proceed on the basis of the 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 the provision of ~~any of the basic metering services or data~~ services entered into pursuant to standard condition 36 (Requirement to Offer Terms for ~~the Legacy Basic Meter Asset Provision~~Provision of Basic Metering Services) or standard condition 36A (Requirement to Offer Terms for the Provision of Data Services) or 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. The Authority may (following consultation with the licensee) issue a direction relieving the licensee of its obligations under standard condition 36 (Requirement to Offer Terms for ~~the Legacy Basic Meter Asset Provision~~Provision of Basic Metering Services) or standard condition 36A (Requirement to Offer Terms for the Provision of Data Services) relating to ~~basic metering services or data services in respect of~~ such parts of ~~that~~those conditions and to such extent as may be specified in the direction.

Standard Condition 50. Price Control Revenue Reporting and Associated Information

Part A: General

1. The purposes of this condition are to secure the collection of specified information on a common basis, and to an appropriate degree of accuracy, by the licensee so as to enable the Authority to effectively monitor the compliance of the licensee with the charge restriction conditions.
2. The licensee shall establish and maintain appropriate systems, processes and procedures to measure and record specified information from the dates specified in paragraph 4 and in accordance with the regulatory instructions and guidance (including any associated information specified therein) for the time being in force pursuant to this condition (the “revenue reporting rigs”).

Part B: Revenue reporting rigs and specified information

3. For the purposes of this condition:
 - (a) “charge restriction conditions” shall have the same meaning as set out in special condition A1 (Definitions and interpretation).
 - (b) “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 10 and, subject to paragraphs 13 and 14, may include:
 - (i) provisions with respect to the meaning of words and phrases used in defining specified information;
 - (ii) requirements for the recording of 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.
- (c) “relevant year t” shall have the same meaning as in special condition A1 (Definitions and interpretation).
- (d) “specified information” means such items referred to in special licence conditions A1 to F1 as the Authority considers are necessary to monitor, to an appropriate degree of accuracy, compliance with the charge restriction conditions, and shall include:
 - (i) in relation to the restriction on demand use of system charges:
 - (aa) regulated demand revenue;
 - (bb) units distributed;
 - (cc) distribution losses; and
 - (dd) allowed demand revenue and its associated terms as set out in special conditions B1 to C3;
 - (ii) in relation to the restriction on generation use of system charges:
 - (aa) network generation revenue; and
 - (bb) allowed network generation revenue and its associated terms as set out in special conditions D1 to D2;
 - (iii) in relation to the restriction on ~~basic metering charges:~~legacy basic meter asset provision, charges for the service of legacy basic meter asset provision;
 - ~~(aa) charges for the service of basic meter asset provision;~~
 - ~~(bb) basic meter operation revenue; and~~

~~(cc) — allowed meter operation revenue and its associated terms as set out in special condition F1 (Restriction of basic metering charges);~~

- (iv) a breakdown of revenue that falls under the category of excluded services;
- (v) details of the licensee's de minimis business and associated income; and
- (vi) such other information as is specified in the revenue reporting rigs, or as may from time to time be specified by the Authority in a direction issued in accordance with paragraph 10.

4. The licensee shall collect specified information:

- (a) in respect of the matters specified in paragraphs 3(d)(i) to (v) from and including 1 April 2005; and
- (b) in respect of any matter specified under paragraph 3(d)(vi):
 - (i) where such information is specified as a requirement of the revenue reporting rigs in force on 1 April 2005, from and including 1 April 2005; and
 - (ii) where such information is specified by the Authority, in a direction issued in accordance with paragraph 10, from the date specified in that direction.

Part C: Information to be provided to the Authority

5. The licensee shall provide to the Authority:

- (a) the information specified in template A (“the detailed return”) of the revenue reporting rigs by no later than 31 July following the end of the relevant year t;

- (b) the information specified in template B (“the forecast return”) of the revenue reporting rigs by no later than 1 April of relevant year t, being the licensee’s estimate of that information made on or before 1 April; and
- (c) the information specified in template B (“the forecast return”) of the revenue reporting rigs by no later than 31 October of the relevant year t, being the licensee’s revised estimate of the specified items made after 31 July of that year.

Part D: Audit requirements

- 6. The information referred to in paragraph 5(a) shall be accompanied by a report addressed to the Authority from an appropriate auditor, as defined in standard licence condition 42 (Regulatory Accounts), stating whether in his opinion:
 - (a) the information in relation to each of the items referred to in the statement 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 2 of this condition.
- 7. The licensee shall require that the report from the appropriate auditor, referred to in paragraph 6, is accompanied by a letter from that auditor to the Authority detailing the procedures that the auditor has followed in reaching his opinion.
- 8. For the purposes of paragraph 6, the licensee shall at its own expense enter into a contract of appointment with the appropriate auditor which includes a term requiring that the audit be conducted in accordance with all such relevant auditing standards in force on the last day of the financial year to which the audit relates as would be appropriate.
- 9. 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 appropriate auditor so as to enable him to complete and report to the Authority on any audit carried out in accordance with paragraph 6.

Part E: Modification of the revenue reporting rigs

10. Where the Authority considers that the revenue reporting rigs should be modified to:
 - (a) improve the presentation or style of the requirements of those rigs;
 - (b) remove or reduce inconsistencies between distribution services providers in the application or interpretation of such requirements;
 - (c) further clarify the meaning of words and phrases used within such requirements to define the information to be provided;
 - (d) improve the form or manner in which such information is to be provided under such requirements; or
 - (e) introduce additional categories of specified information or enlarge existing categories of specified information,

in such ways as are necessary to more effectively achieve the purposes of this condition, the Authority may, subject to paragraphs 11 to 14, modify the revenue reporting rigs by issuing a direction for that purpose to all distribution services providers.
11. Before issuing a direction under paragraph 10, the Authority, by notice given to all distribution services providers, must:
 - (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 being 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.

12. Where any proposed modification of the revenue reporting rigs relates to a requirement to provide specified information to a greater level of accuracy than was required previously the Authority may not make that modification except in accordance with the procedure under section 11A of the Act which would apply to the modification as if it were a modification of this condition.
13. Any modification of the revenue reporting rigs under paragraph 10 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 24 (Provision of Information to the Authority), excluding any reference to paragraph 8 of that condition.
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.

Part F: Dealing with an event with a material impact on the consistency or accuracy of information

15. Where the revenue reporting rigs do not provide adequate or sufficient guidance in relation to the collection and reporting of specified items following:
 - (a) a change in industry processes or procedures on or after 1 April 2005 which has a significant effect on the calculation of one or more specified items; or
 - (b) a change in the processes or procedures of the licensee on or after 1 April 2005 which has a significant effect on the calculation of one or more specified items,

the licensee shall request guidance from the Authority in relation to the treatment of such items.

16. For the purposes of this condition, a “significant effect” is defined as a change to the calculation of one or more specified items such that:
 - (a) its effect on the calculation of allowed demand revenue exceeds, or is likely to exceed, 1 per cent of base demand revenue as defined in paragraph 4 of special condition B1 (Restriction of distribution charges: demand use of system charges); or
 - (b) its effect on the calculation of allowed network generation revenue exceeds, or is likely to exceed, an amount which is equal to 0.5 per cent of base demand revenue as defined in paragraph 4 of special condition B1 (Restriction of distribution charges: demand use of system charges).
17. On receipt of a request for guidance in accordance with paragraph 15, the Authority may:
 - (a) having regard to whether the change to the calculation of one or more specified items has material implications for other distribution services providers; and
 - (b) after consultation with the licensee and (where relevant, having regard to sub-paragraph (a)) other distribution services providers,

by notice to the licensee and (where relevant) other distribution services providers direct how such specified items should be reported for the purposes of this condition.

Part G: Restatement of information

18. For the purposes of this condition, the licensee shall take all appropriate steps within its power to ensure that information provided to the Authority in respect of a given relevant year under paragraph 5(a) is not restated after the date on which

that information has been so provided except where restatement is necessary in the opinion of the appropriate auditor referred to in paragraph 6.

Appendix 2
~~Suggested~~ Pro Forma to Register a Statutory Objection

Proposed Modification of Standard Licence Conditions: SLC 1, SLC 4B, SLC 4D, SLC 36, SLC 36A, SLC 36B, SLC 36C, SLC 36D, and SLC 50 in electricity distribution licence.

In response to the statutory notice dated 20 February 2007 in respect of the above proposed modifications, this notice constitutes a statutory objection to that proposal on behalf of [state full name of each relevant licence holder making the objection].

I confirm that I am duly authorised to give this notice on behalf of each of the above named companies.

[Signed]

[Date: / /]

[Address for acknowledgement, preferably including email address]