

Electricity Act 1989
Section 11A
MODIFICATION OF THE STANDARD CONDITIONS OF DISTRIBUTION LICENCES
GRANTED UNDER SECTION 6(1)(c) OF THE ELECTRICITY ACT 1989; AND

Section 49A
REASONS FOR DECISIONS

Whereas –

1. Each of the companies to whom this document is addressed (a “licence holder”) has been granted a distribution licence (the “licence”) under section 6(1)(c) of the Electricity Act 1989 (the “Act”) subject to the conditions included in its licence.
2. In accordance with section 11A(3) of the Act the Gas and Electricity Markets Authority (the “Authority”) gave notice on 20 February 2007 proposing to make modifications to the following standard licence conditions (“SLCs”) of the licence and requiring any objections or representations to the modifications to be made on or before 20 March 2007:
 - 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).
3. The Authority also gave notice on 23 February 2007 proposing to make a related modification to standard licence condition SLC 4B (Connection Charging Methodology) and requiring any objections or representations to that modification to be made on or before 23 March 2007.
4. In accordance with section 49A of the Act, the reasons for making the licence modifications are those stated in the notices of 20 February 2007 and 23 February 2007 (and the documents referred to in them), and in summary the reasons for making the licence modifications are to add new, alter existing and omit redundant definitions and provisions to, in and from the licence in order to clarify with effect on and from 1 April 2007 the ongoing metering services obligations on electricity distributors (including electricity distributors that do not have a distribution services area specified in their licence) after obligations regarding basic meter operation

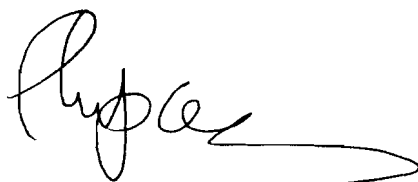
services and basic meter asset provision for new and replacement meters cease on 31 March 2007.

5. In accordance with section 11A(4)(b) of the Act, the Authority gave such notice of its intention to make the modifications to the Secretary of State and has not received from the Secretary of State pursuant to section 11A(5) of the Act a direction not to make the modifications.
6. Prior to the close of the consultation periods in respect of the two notices, the Authority received no responses which constituted a formal objection.
7. The Authority received representations from two licensees suggesting that it would be more appropriate for the amendments to the definitions of "basic meter asset provision (MAP)" and "basic meter operation (MOp)" in SLC 1 not to refer to the functionality and standard of service provided by the licensee on 1 July 2003 and representations were also received from two licensees suggesting minor corrections and drafting improvements to the licence modifications.
8. Representations have also been received from one licensee and two other respondents who are not relevant licensees, suggesting that the Authority's proposal to retain basic MAP and MOp services within the definition of a "distribution business" was not appropriate and that these services should be separated from distribution activities.
9. Except where marked as confidential the representations are available free of charge from the Ofgem library (telephone 020 7901 7003) and on the Ofgem website (www.ofgem.gov.uk).
10. The Authority having carefully considered all representations received in relation to the proposed modifications, has accepted the suggestions by licensees regarding the consequential omission of references to 1 July 2003 from the definitions of basic MAP and MOp in SLC 1, as well as the minor drafting corrections and improvements; and has reflected all this in the attached Schedule.

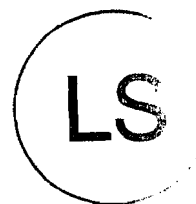
Now therefore:

In accordance with the powers contained in section 11A of the Act, the Authority **hereby modifies** the standard licence conditions SLC 1, SLC 4B, SLC 4D, SLC 36, SLC 36A, SLC 36B, SLC 36C, SLC 36D, and SLC 50 in each and every distribution licence in the manner specified in the attached Schedule **with effect on and from** 1 April 2007.

**The Official Seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of**



.....
Philip Davies
Duly Authorised on behalf of the Authority



30 March 2007

Schedule

MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY DISTRIBUTION LICENCES GRANTED UNDER SECTION 6(1)(c) OF THE ELECTRICITY ACT 1989.

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”	means the service comprising 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 the service of basic meter asset provision), and for the avoidance of doubt includes the service of “legacy basic meter asset provision”, as defined in paragraph 3 of standard condition 36 (Requirement to Offer Terms for Legacy Basic Meter Asset Provision).
“basic meter operation services”	means the services of installing, commissioning, testing, repairing, maintaining, removing and replacing metering equipment.
“BETTA”	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.
“BETTA go-live date”	means the date which the Secretary of State indicates in a direction shall be the BETTA go-live date.
“British Grid Systems Agreement”	for the purposes of standard condition 30B (BETTA Run-off Arrangements Scheme) only, has the

	meaning given in that condition.
“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.
“charge restriction conditions”	has the same meaning as in special condition A1 (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

“convenience customers”	established under section 2 of the Utilities Act 2000. 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 connected).
“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”	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: <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 of basic meter asset provision (including legacy basic meter asset provision) and basic meter operation 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),

and in any of the above cases includes any business
ancillary thereto.

“distribution business activities”

means those activities of the licensee which
comprise the following:

- (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

“indebtedness”	736, 736A and 736B of the Companies Act 1985. 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)
“legacy basic meter asset provision”	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).
“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:

- (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

“standby”	<p>(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.</p> <p>means the periodic or intermittent supply or sale of electricity:</p> <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 those met either by its own generation or by electricity supplied by an electricity supplier.
“statutory accounts”	<p>means the accounts that the licensee prepares under the Companies Act 1985 (as amended by the Companies Act 1989).</p>
“subsidiary”	<p>means a subsidiary within the meanings of sections 736, 736A and 736B of the Companies Act 1985.</p>
“supply licence”	<p>means a licence granted or treated as granted under section 6(1)(d) of the Act.</p>
“system operator”	<p>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).</p>
“system operation agreement”	<p>for the purposes of standard condition 30B (BETTA Run-off Arrangements Scheme) only, has the</p>

	meaning given in that condition.
“top-up”	means the supply or sale of electricity on a continuing or regular basis: <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 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: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (i) rights under contractual arrangements to which he is a party or of which he is a beneficiary, or

	<p>(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.</p>
“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 4B. Connection Charging Methodology

1. The licensee shall, by 1 April 2005:
 - (a) determine a connection charging methodology approved by the Authority;
and
 - (b) comply with the connection charging methodology at that date and as modified from time to time thereafter in accordance with the provisions of this condition.

2. The licensee shall, for the purpose of ensuring that the connection charging methodology continues to achieve the relevant objectives:
 - (a) review the connection charging methodology at least once in every year; and
 - (b) subject to paragraph 10, make such modifications (if any) of the connection charging methodology as are necessary for the purpose of better achieving the relevant objectives.

3. In paragraph 2 and below, the relevant objectives are:
 - (a) that compliance with the connection charging methodology facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence;
 - (b) that compliance with the connection charging methodology facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity;
 - (c) that compliance with the connection charging methodology results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by the licensee in its distribution business; and
 - (d) that, so far as is consistent with sub-paragraphs (a), (b) and (c), the connection charging methodology, as far as is reasonably practicable, properly takes account of developments in the licensee's distribution business.

4. Subject to paragraph 6, the licensee shall prepare a statement, in a form approved by the Authority, which:
 - (a) sets out the basis on which charges will be made for the provision of connections to the licensee's distribution system; and
 - (b) is in such form and contains such detail as are necessary to enable any person to make a reasonable estimate of the charges to which he would become liable in respect of such provision.

5. The statement referred to at paragraph 4 shall include:
 - (a) a schedule listing those items (including the carrying out of works and the provision and installation of electric lines or electrical plant) of significant cost liable to be required for the purpose of connection (at entry or exit points) to the licensee's distribution system for which connection charges may be made or levied and including (where practicable) indicative charges for each such item and (in other cases) an explanation of the principles on which and the methods by which such charges will be calculated;
 - (b) the principles on which and the methods by which any charges will be made in respect of extension or reinforcement of the licensee's distribution system rendered (in the licensee's discretion) necessary or appropriate by virtue of providing connection to or use of system to any person seeking connection;
 - (c) the principles on which and the methods by which connection charges will be made in circumstances where the electric lines or electrical plant to be installed are (at the licensee's discretion) of greater size or capacity than that required for use of system by the person seeking connection;
 - (d) (save to the extent that such matters are included in any agreement offered in accordance with standard condition 36 – Requirement to Offer Terms for Legacy Basic Meter Asset Provision), the principles on which and the methods by which any charges will be made for the provision of special metering or telemetry or data processing equipment by the licensee for the purposes of enabling any person who is party to the Balancing and Settlement Code and/or

the Settlement Agreement for Scotland to comply with his obligations thereunder in respect of metering or the performance by the licensee of any service in relation to such metering;

- (e) the principles on which and the methods by which any charges will be made for disconnection from the licensee's distribution system and the removal of electrical plant and electric lines following disconnection; and
 - (f) the principles on which and the methods by which any charges (including any capitalised charge) will be made for maintenance, repair, and replacement required of electric lines or electrical plant provided and installed for making a connection to the licensee's distribution system.
6. With effect from 1 April 2005, the statement prepared by the licensee in accordance with paragraph 4 shall:
- (a) comply with the connection charging methodology; and
 - (b) be approved by the Authority, except in the case of the indicative charges included within the statement by virtue of paragraph 5(a), which will be in a form approved by the Authority.
7. Connection charges for those items referred to at paragraph 5 will be set at a level which will enable the licensee to recover:
- (a) the appropriate proportion to be determined (having regard to the factors set out at paragraph 8) of the costs directly or indirectly incurred in carrying out any works, the extension or reinforcement of the licensee's distribution system, or the provision and installation, maintenance, repair, and replacement, or (as the case may be) removal following disconnection, of any electric lines or electrical plant; and
 - (b) a reasonable rate of return on the capital represented by such costs.
8. For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under an agreement for providing a connection, or a modification or retention of an existing connection, the licensee shall have regard to:

- (a) the benefit (if any) to be obtained or likely in the future to be obtained by the licensee or any other person as a result of the carrying out of such works by reason of extension of the licensee's distribution system or the provision of additional entry or exit points on such system or otherwise;
 - (b) the ability or likely future ability of the licensee to recoup a proportion of such costs from third parties; and
 - (c) the principles (subject to paragraph 9) that:
 - (i) charges will not generally take into account system reinforcement carried out at more than one voltage level above the voltage of connection;
 - (ii) charges will not generally take into account the costs (including any capitalised charge) for maintenance, repair and replacement required of electric lines or electrical plant provided and installed for making a connection to the licensee's distribution system;
 - (iii) the licensee may charge at the time of connection an amount for reinforcement of the licensee's distribution system based on a proportionate share of the costs of such reinforcement; and
 - (iv) connection charges will not cover costs that are covered by use of system charges.
9. Until 31 March 2005, paragraph 8(c) applies to the licensee as if, for the provisions set out therein, there were substituted the provisions set out in paragraph 5(c) of standard condition 4B of this licence in the form in which it was in force at 1 April 2004.
10. Except with the consent of the Authority, before making a modification of the connection charging methodology the licensee shall:
- (a) give the Authority a report which sets out:
 - (i) the terms proposed for the modification;
 - (ii) how the intended modification would better achieve the relevant objectives; and

- (iii) a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect, being not earlier than the date on which the period referred to in paragraph 12 will expire; and
 - (b) where the Authority has directed that sub-paragraph (a) should not apply, comply with such other requirements (if any) as the Authority may specify in its direction.
- 11. Subject to paragraph 12, where the licensee has complied with the requirements of paragraph 10, it shall, before making the modification:
 - (a) revise the statement (or the most recent revision thereof) issued under paragraph 4 so that the statement sets out the changed connection charging methodology and specifies the date from which it is to have effect; and
 - (b) give the Authority a copy of the revised statement.
- 12. The licensee shall make the modification to the connection charging methodology unless, within 28 days of receiving the licensee's report under paragraph 10, the Authority, having particular regard to the relevant objectives, has either:
 - (a) directed the licensee not to make the modification; or
 - (b) notified the licensee that it intends to consult and then within three months of that notification directed the licensee not to make the modification.
- 13. The licensee shall give or send a copy of any statement under paragraph 4 or report under paragraph 10 to any person who requests it.
- 14. The licensee may make a charge for any statement or report given or sent pursuant to paragraph 13 of an amount which does 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 the document.
- 15. If so requested, and subject to paragraphs 17 and 18, the licensee shall, as soon as practicable and in any event within 28 days (or, where the Authority so approves, such longer period as the licensee may reasonably require having regard to the nature

and complexity of the request) after the date referred to in paragraph 16, give or send to any person making such request a statement showing present and future circuit capacity, forecast power flows and loading on the part or parts of the licensee's distribution system specified in the request and fault levels for each distribution node covered by the request, and containing:

- (a) such further information as is reasonably necessary to enable such person to identify and evaluate the opportunities available when connecting to and making use of the part or parts of the licensee's distribution system specified in the request; and
- (b) if so requested, a commentary prepared by the licensee indicating its views on the suitability of the part or parts of the licensee's distribution system specified in the request for new connections and the distribution of further quantities of electricity.

16. For the purposes of paragraph 15, the date referred to is the later of:

- (a) the date of receipt of the request referred to in paragraph 15; or
- (b) the date on which the licensee receives agreement from the person making the request to pay the amount estimated by the licensee or (as the case may be) such other amount as is determined by the Authority under paragraph 17.

17. The licensee may within ten days after receipt of the request provide an estimate of its reasonable costs in the preparation of any statement referred to in paragraph 15, and its obligation to provide such statement will be conditional on the requesting person agreeing to pay the amount estimated or such other amount as the Authority may, on the application of the licensee or the person requesting such statement, direct.

18. The licensee shall include in every statement given or sent under paragraph 15 the information required by that paragraph, except that the licensee may:

- (a) with the prior consent of the Authority omit from any such statement any details as to circuit capacity, power flows, loading or other information, the disclosure of which would, in the view of the Authority, seriously and prejudicially affect the commercial interests of the licensee or any third party; and

- (b) omit information the disclosure of which would place the licensee in breach of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) (if applicable).
- 19. Subject to paragraph 20, approvals by the Authority pursuant to paragraphs 1(a) and 6 may be granted subject to such conditions as the Authority considers appropriate, having regard, in particular, to:
 - (a) the need for any further action to be undertaken by the licensee to ensure that the connection charging methodology would facilitate the achievement of the relevant objectives; and
 - (b) the time by which such action must be completed.
- 20. An approval granted under paragraph 19 will only be effective if the Authority has informed the licensee of its intention to impose such conditions in a notice which:
 - (a) sets out the nature and contents of the conditions; and
 - (b) specifies the period (not being less than 28 days from the date of the notice) within which representations with respect to the conditions may be made,and has considered any representations or objections which have been duly made by the licensee and have not been withdrawn.
- 21. Unless the Authority determines otherwise, the licensee shall not enter into an arrangement for providing a connection or a modification or retention of an existing connection unless the arrangement ensures that the connection charges in respect of that arrangement will comply with the statement referred to in paragraph 4 at the time at which the licensee offers to enter into the arrangement.
- 22. Nothing in this condition affects the ability of the licensee to charge for the provisions of connections in accordance with the statement issued pursuant to paragraph 4.
- 23. The provisions of this condition are wholly without prejudice to:

- (a) the application of any charge restriction conditions (within the meaning given in paragraph 4 of special condition A1 (Definitions and Interpretation) of the distribution licence); or
- (b) the application of any charging arrangements condition (within the meaning of standard condition BA1 (Charging Arrangements) of the distribution licence as modified from time to time).

24. The Authority may (following consultation with the licensee and, where appropriate, with any other authorised electricity operator likely to be materially affected thereby) issue directions relieving the licensee of its obligations under paragraph 1 to such extent as may be specified in the directions.

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 Legacy 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 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 Legacy Basic Meter Asset

Provision

1. This condition has effect on and after 1 April 2007.
2. Without prejudice to the provisions of paragraph 11, this condition sets out the obligations of the licensee relating to the service of legacy basic meter asset provision.
3. For the purposes of this condition, the service of legacy 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 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.
4. For the purposes of paragraph 3, what is meant in any particular case by "the same functionality" shall be a question of fact.
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.
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 Legacy Basic Meter Asset Provision and the Provision of 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 and the Provision of 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 the service 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 that service.

10. In providing the service referred to in paragraph 3, 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 service of legacy basic meter asset provision 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, the licensee (notwithstanding anything in this condition) shall be under no obligation thereafter to offer to enter into any such agreement with that person for the provision of that service in relation to that metering point.
12. For the avoidance of doubt, nothing in this condition affects the continuing obligations of the licensee in respect of the provision of the service of legacy basic meter asset provision for each metering point within its distribution services area in respect of which the circumstances specified in paragraph 11 do not apply.
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 and the Provision of 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 and the Provision of 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 Legacy Basic Meter Asset Provision and in the Provision of Data Services

1. In 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 and the Provision of Data Services: Requirements for Transparency), the licensee shall not make charges for 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 Legacy Basic Meter Asset Provision and the Provision of 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 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 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, 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. Legacy Basic Meter Asset Provision 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 Legacy Basic Meter Asset Provision) 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 Legacy Basic Meter Asset Provision) 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 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 Legacy Basic Meter Asset Provision) 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 services entered into pursuant to standard condition 36 (Requirement to Offer Terms for Legacy Basic Meter Asset Provision) 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 Legacy Basic Meter Asset Provision) or standard condition 36A (Requirement to Offer Terms for the Provision of Data Services) relating to such parts of 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 legacy basic meter asset provision, charges for the service of legacy basic meter asset provision;
 - (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 subparagraph (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.