



To all electricity distribution licensees

*Promoting choice and  
value for all customers*

Your Ref:  
Our Ref: RR/CR/Rules/2007-08  
Direct Dial: 020 7901 7192  
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1 April 2008

Dear Sir

**DIRECTION ISSUED BY THE GAS AND ELECTRICITY MARKETS AUTHORITY TO RELEVANT ELECTRICITY DISTRIBUTORS UNDER PART D (ESTABLISHMENT OF THE PRICE CONTROL REVIEW REPORTING RULES) OF STANDARD CONDITION 52 (PRICE CONTROL REVIEW INFORMATION) OF THE DISTRIBUTION LICENCE; AND**

**NOTICE OF REASONS UNDER SECTION 49A ELECTRICITY ACT 1989 FOR THE DECISION TO ISSUE THE DIRECTION**

**WHEREAS**

- A. The Gas and Electricity Markets Authority (the 'Authority') on 19 February 2008 consulted the relevant electricity distributors who are holders of a distribution licence treated as granted by the Authority under section 6(1)(c) of the Electricity Act 1989 (the 'Act') and in whose licence standard condition 52 (Price Control Review Information) (the 'Condition') has effect, of the Authority's intention to modify price control review reporting rules ('cost reporting rules').
- B. The Authority received nil objections and seven representations, which have been duly considered in arriving at its decision to modify cost reporting rules, and in summary the reasons for representations were that with regard to the cost reporting rules circulated for consultation:
- i.* some formulae and guidance contained errors and inconsistencies and needed corrections;
  - ii.* some definitions needed amendment to improve usefulness and consistency ; and

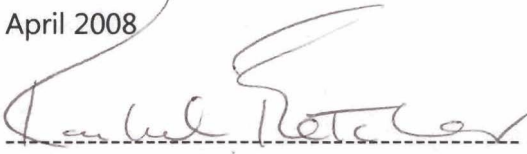
iii. certain tables required minor amendments for data entry presentation and structure.

C. The Authority has carefully considered the representations to its proposals and the reasons for the proposals set out in the February 19 consultation letter and is minded to make the modifications.

**NOW** the Authority pursuant to Part F of the Condition, and for the reason of enabling the collection and provision of accurate, consistent, useful or comparable cost information from every relevant electricity distributor for the purpose of the next distribution price control review, **HEREBY ISSUES** this Direction **MODIFYING** the cost reporting rules to be as set out in '*Electricity Distribution Price Control Review, Price control cost reporting rules: Instructions and Guidance, April 2008*', **WITH EFFECT ON AND FROM** 1 April 2008, to apply to price control information (including cost reporting rules), due to be provided under the Condition by each relevant electricity distributor to the Authority for the financial year ending March 31 2007; and for subsequent financial years.

This document also constitutes a notice for the purpose of section 49A(1)(c) of the Act, stating the reason for the Authority's decision to issue the Direction.

Dated 1 April 2008

SIGNED  Rachel Fletcher, Director, Distribution

Duly Authorised on behalf of the Gas and Electricity Markets Authority

List of addresses:

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Central Networks West plc  
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Company number 02366906  
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EDF Energy Networks (LPN) plc  
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