

Electricity Distribution Price Control Review: Initial Licence Drafting Consultation
Schedule of DNO Comments

Licence Reference	Proposed Modification	Reason
Title of 15A	Insert full stop as shown.	Self-evident.
15A.2	Enlarge, as shown, to encompass Quotation Accuracy Scheme (in brackets).	To fully address Ofgem policy.
15A.4(a)	Replace “compliance with, and the results of,” with “facilitation of”.	Response to Ofgem drafting instructions.
15A.4(c)	Add “in respect of connection policy” at the end.	For greater clarity.
15A.4(f)	Add “in respect of connection performance” at the end.	For greater clarity.
15A.7	Reposition existing paragraph 15A.13 (as new 15A.8) immediately after this paragraph and renumber all following paragraphs accordingly.	Relocation to the more natural position for this provision.
15A.10 [new]	Enlarge (as amended) to recognise the effect of Part J of CRC13 (Licensee’s Connection Activities: Margins and the development of competition).	For completeness.
15A.11(a) 15A.11(b) [new]	Replace “comply with” with “achieve”.	For conformity with the wording of sections 39A and 27A of the Electricity Act.

15A.11(b) [new]	Enlarge (as shown) to provide for groupings and timescales within which the 90 per cent measurement will be applied.	Current wording “in at least 90 per cent of all of the cases” is unreasonably ambiguous.
15A.12 [new]	Make provision (as shown) for the introduction of a Quotation Accuracy Scheme.	Response to Ofgem policy.
15A.13 [new]	Add a derogation paragraph (as shown).	For equity.
25A.5	Replace “prepare and implement a DG Information Strategy, approved by the Authority,” with “prepare for the approval of the Authority, and then with the Authority’s approval implement, a DG Information Strategy”.	The obligation as currently worded is unachievable if the Authority withholds approval.
25A.7	Replace “in or determined by the Authority, with effect from such date as may be specified in or determined under the direction given by the Authority under paragraph 25A.5” with “by the Authority when it approves the strategy”.	To complement the change to 25A.5 above.
25A.11	Replace “in a Regulatory Year” with “but may not take effect before the beginning of the next Regulatory Year following the date of the direction”.	For consistency with, for example, CRC 8.12 in respect of reasonable treatment.
25A.13	Recast so as to revise the policy back to an obligation to publish only the DG Connections Guide.	For conformity with Initial Proposals.
Title of 44A	Change “Network Outputs Regime” to “Network Outputs Reporting Regime” in the condition heading and in 44A.1(a), 44A.7(a), and 44A.7(b).	To achieve more accurate description of the scope of the condition (note that 44A.1(a) does define “Network Outputs Regime” as a reporting and monitoring regime).

44A.3	Change “published on 30 November” to “published in December 2009 under document reference 157/09”.	To match latest Ofgem timetable and also to ensure a precise reference.
44A.4(b)	Insert “as” between “timeframes” and “may”.	To correct typographical error.
44A.9 and 44A.11 and Appendix 1	Change “Output” to “Outputs” in the heading above paragraph 44A.9; in the first line of 44A.9; in the heading above paragraph 44A.11; in the first line of 44A.11; in the second and third lines of paragraph A2 of Appendix 1; in the second line of paragraph A3 of Appendix 1; in the first line of paragraph A5 of Appendix 1; in the second line of paragraph A8 of Appendix 1; in the first line of paragraph A10 of Appendix 1; in the second line of paragraph A13 of Appendix 1; and in the definitions of “Demand Group”, “Fault Rate Asset Category”, “Fault Rate Record”, “Health Index”, and “Health Index Asset Category”.	To conform with earlier references.
44A, in Appendix 1, paragraphs A4 and A14	Change “a ranking of between 1 and 5” to “a ranking in the range of 1 to 5”.	To more accurately reflect Ofgem policy (“a ranking of between 1 and 5” actually rules out the use of both 1 and 5 in the rankings).
44A, in Appendix 1, paragraph A4(a)	Delete both “as at the current date (initially)” and the closing bracket after “2010”.	These words serve no purpose.

44A, in Appendix 1, paragraphs A6 and A16	Change “must provide an annual update to the Authority of the information first provided” to “must annually review and, where appropriate, revise the information previously provided to the Authority”.	To reflect more closely what is understood to be the policy requirement.
44A, in Appendix 1, paragraphs A7 and A17	Change “must provide an update to the Authority of the information first provided” to “must review and, where appropriate, revise the information previously provided to the Authority”.	As above.
44A, in Appendix 1, paragraph A18	Change “undertake” in the second line to “produce”.	The verb “produce” works better with both “commentary” and “analysis”.
44A, in Appendix 1, paragraph A21	Change “supplying” in the fourth line of the definition of “Load Index” to “comprising”.	To improve descriptive accuracy.
44B	Change “Distribution Losses Regime” in the title of the condition and in paragraph 44B.1(a) to “Distribution Losses Reporting Regime”.	To achieve more accurate description of the scope of the condition and conformity both with the reference to the regime in paragraph 44B.5(a) and with the numerous references in the condition to “Distribution Losses Reporting RIGs”.

44B.1(a)	Change the second “the” in the first line to “a”.	For conformity with the use of “that” in the second line.
44B.2(a)	Delete the comma after “measure” in the first line.	Incorrect punctuation.
44B.5(g)	Remove square brackets.	The reason for these is not understood.
44B.10	Change “by not later than 1 April 2010” to “by not later than 1 October 2010”.	The April date is not considered viable.
44B.12	Add “(including, in particular, Appendix 1)” between “condition” and the comma that follows it in the first line.	To draw attention to the main area where words and expressions of the type referenced here are to be found.
44B.13	Delete the words after “below”.	These words are incorrect.
44B, in Appendix 1, paragraph A4	Change “via” to “through” in the second line.	To improve accuracy of expression.
44B, in Appendix 1, paragraph A7	Change “undertake” to “produce” in the second line.	The verb “produce” works better with both “commentary” and “analysis”.
Very end of Appendix 1	Delete one of the two full stops after the final word.	Self-evident.

45A	Delete in its entirety and replace with new text. Note that the appendix referred to in this condition will need to be reviewed and approved.	Superseded by Roger Barnard's version approved at the LDWG meeting held on 5 November (including the incorporation of defined terms in standard condition 33).
46A.2	Insert "at the same time" between "must" and "in" in the first line and replace "Regulatory Year" in the final line with "twelve months".	To give effect to the policy intention of allowing licensees to choose between the use of Regulatory Years and calendar years for reporting purposes.
46A.4	Add "Subject to paragraph 46A.5," at the very beginning of the paragraph, and change "Any" to "any" as a result.	Necessary qualification to remove the danger of any potential conflict between 46A.4 and 46A.5.
46A.4(c)	Change "rank" in the second line to "compare".	It will be very difficult to rank DNOs by carbon footprint performance. The change of language more accurately reflects what is likely to be achievable.
46A.5	Change "purposes" to "purpose" in the second line.	Only a single purpose is expounded in paragraph 46A.1.
CRC8	Generally: The policy is currently too fluid to enable meaningful substantive comments to be made – to be considered further at either or both of the LDWG meetings to be held on 19 and 25 November.	
CRC8.7	Will need to be reworked in the light of policy conclusions	The current drafting is both dense and obscure.

CRC8.10 and 8.11	An agreed redraft is still awaited.	Manweb's proposals at the LDWG meeting held on 5 November.
CRC8.11	Change the reference to "paragraph 8.12" in the first line to "paragraph 8.10".	The reference is incorrect as currently stated.
CRC8.13	Delete "statement" in the second line and insert "Statement of Compliance" in its place.	For consistency with the language of standard condition 45B.
CRC8.14 and Appendix 1	Remove both the paragraph and the Appendix.	In line with note at CRC8.5
CRC9	Generally: Some of the algebraic formulas (e.g. at 9.12, 9.14, 9.16) reproduce badly in PDF format.	
CRC9.17	Change "in each of the Regulatory Years beginning on 1 April 2009 and 1 April 2010" to "each of the Regulatory Years beginning on 1 April 2008 and 1 April 2009".	To correct inaccuracy.
CRC9.24	In the definition of PIAt, change "1 April 2002" to "1 April 2007".	To correct inaccuracy.
CRC9.24	In the definition of RLA, change "1.2" to "0.8".	To correct inaccuracy.
CRC9.27	Insert ", insofar as they feature in the Principal Formula for the relevant Regulatory Year," immediately after "QDt" in the first line of the bracketed proviso at the very end of the paragraph.	To address the problem that the proviso does not work as intended, because Principal Formula 2 has no QC and Principal Formula 3 has no QD.

CRC9.28	The figure “4” at the end of the definition of TRL should be enclosed in square brackets.	Not yet finalised.
CRC9.28	Change “1.8” in the definition of RLB to “2.2”.	To correct inaccuracy.
CRC9, Part D	Revised wording to be proposed by the DNOs (for further discussion at the LDWG meeting on 19 November).	This part currently does not work as intended as it does not give an answer in £s.
CRC9.32	Remove closing square bracket at the end of the definition of SEt.	Superfluous.
CRC9.36	Change “UNPct” to “UNCpt”. Change “percentage of calls” to “proportion of calls (within a range of values from 0 to 1)” in the definition of UNCpt.	To correct typographical error. The RTS formula in 9.35 does not work unless this change is made.
CRC9.28 CRC9.49 to CRC9.52 and CRC9.57	The appendices referenced here are not included in the current drafting. Note also that the appendix referenced in the definition of IRBt in para 9.28 is described as “Appendix A”, whereas those mentioned in the subsequent conditions referenced to the left have numerical identifiers.	Correction of error.
CRC9.52 CRC9.56	Change “which” in the third line of 9.52 and in the first line of 9.56(d) to “that”.	The words that follow constitute (in each case) a defining clause.
CRC10	Delete in its entirety and insert new text in its place.	Superseded by Roger Barnard’s version approved at the LDWG meeting held on 5 November.

CRC11.4	Structure of the algebraic formula for KIFIt to be revised by the DNOs (see Attachment 1, herewith).	For greater clarity of presentation.
CRC 12.7	Improve the layout of the PIAG term.	To correct formatting error.
CRC12.9	Delete superfluous space after the first line.	To correct layout error.
CRC12.10	Insert “was” after “that” in the second line of the GL definition. Change “takes the value against” in the fifth line of the GL definition to “has the value shown against”.	To ensure the correct verb form. For greater clarity.
CRC12.11	Delete the second “Part E” heading just before this paragraph (and change all following part headings and many internal cross-references, as indicated). Change “12.11” to “12.12” in the last line of the IEDA definition.	There are currently two sections headed Part E. Incorrect cross-reference.
CRC12.14	Change “1 April 2010” in the definition of PIAGt to “1 April 2005”.	To match the reference to ‘£1,000’ in paragraph 12.9.
CRC12.17 CRC12.18	Generally: Some concern about whether the calculation of RPZ here is sufficiently cross-referenced to Part B of CRC6, and vice versa.	
CRC12 [new] Part H	Change “(gir)” in the part heading to “(GIR)”.	For consistency with agreed presentation of algebraic terms.
CRC12 [new] Part I	Change “(gtj)” in the part heading to “(GTj)”.	As above.

CRC13.19	Insert “(see paragraph 13.22 below)” immediately after “criteria” in the first line.	To signal where the nature of the criteria are further explained.
CRC13.24	Insert “a” between “Authority” and “Competition” in the second line, and insert “(see paragraph 13.65 below)” after ”Notice” at the end of the paragraph.	To make the text read correctly, and also to signal the important evidential provision set out at Part K of the condition in relation to the Competition and Service Notice.
CRC 13.35	Introduce the words “Subject to paragraph 13.36,” at the beginning of the first line, delete the last two lines and replace them with a new paragraph 13.36 which says “Paragraph 13.35 does not apply if the Authority has begun a formal investigation of the licensee’s compliance with either the provisions of this licence or the provisions of competition law in relation to the Relevant Market Segment to which the paragraph refers”, and renumber the next four paragraphs accordingly.	For greater clarity, recognising also that there is currently no paragraph 13.40 to be found in this condition.
CRC [new] 13.38	Change the heading immediately before this paragraph to “Provisions where both the Legal Requirements Test and the Competition Test are satisfied”.	To improve clarity and consistency by aligning the content of this heading with that of the headings for Parts G and H.
CRC13.55	Expand the Part I section heading to “Scope and contents of the Clawback Direction”.	To improve clarity.
CRC13.63	Change “that Margin” at the very end of the paragraph to “such proportion of that Margin as is specified in the Clawback Direction”.	To align with CRC13.59(b) and reflect that only the relevant part of the margin is to be forgone.

CRC13.65	Delete the existing paragraph and substitute: “For the purposes of Part D of this condition, a Competition and Service Notice may, at the Authority’s discretion, refer to any subset, or combination of subsets, of a Relevant Market Segment that the licensee considers is capable of being meaningfully specified for the purposes of the Notice”.	To narrow the application of this paragraph and thus more accurately meet the Ofgem policy intent.
CRC13.67	Delete one of the two adjoining instances of ‘the’ in the first line.	To correct typographical error
CRC13, in paragraph A13.5(ii) of Appendix 1	In the second line, replace “a single or three-phase low voltage connection at up to 60kVA for” with “a connection involving three-phase whole current metering at”.	To reflect the recent change agreed in the relevant connection workgroup.
CRC 13, Appendix 1	Generally: There needs to be a final check for complete consistency of defined activity terms as between the guaranteed standards of performance, standard condition 15, and this Appendix.	To facilitate efficient data collection and reporting processes for the DNOs.
CRC14 generally	Replace all references to “Eligible LCN Project” throughout this condition with “Eligible LCN Fund Project”.	For better descriptive accuracy.
CRC14.2(c)	Insert “revenue” between “such” and “awards” in the first line.	To clarify the nature of the reward.
CRC14.3	Turn the sentence round to make clear the derivation from the aggregation of the funding mechanisms.	To improve clarity.
CRC14.8 and 14.12	In both cases, delete “is zero at 1 April 2010 and is subsequently to”.	The words being deleted are unnecessary.

CRC14.9 and CRC14.10	In the header for both these paragraphs, change “by a direction given to all DSPs, direct” to “in a direction given to all DSPs, specify” (and in the header for 14.10, insert “the” between “and” and “implementing”).	For greater clarity of both purpose and expression.
CRC14.9(a) and 14.10(a)	In both cases, change “in that [and following] Regulatory Years” in the second line to “in that Regulatory Year [and in following Regulatory Years]”.	The current wording is not grammatically correct, as “that” (singular) does not match “Years” (plural).
CRC14.13	Delete “(at its sole discretion)” in the second line.	To avoid overstatement.
CRC14.14	In the header, change “by direction given to all the Distribution Services Providers, direct” to “in a direction given to all DSPs, specify”.	For greater clarity of both purpose and expression.
CRC14.15	Insert “revenue” in front of “awards” in the second line.	To clarify the nature of the reward.
CRC14.17(a)	Replace “Eligible Low Carbon Networks Fund Projects” in the second line with “Eligible LCN Fund Projects”.	To ensure that the correct defined term is used.
CRC14.17	Insert new paragraphs 14.18 and 14.19 after this paragraph: the text requires expansion to clarify the range of matters for which the LCN Fund Governance Document may make provision. NB: this will necessitate the renumbering of all the following paragraphs.	To provide both the necessary <i>vires</i> and appropriate transparency, particularly in view of the open-textured nature of 14.7, 14.11, and 14.15.
CRC [new] 14.24	Introduce a new definition of “LCN Allowance” immediately after the definition of “First Tier Funding Mechanism”.	The expression occurs three times in this condition but is currently undefined.

CRC [new] 14.24	<p>Add “LCN” in front of “Fund Governance Document”, both in the “Fund Governance Document” definition and in the sixth line of the “Valid Claim” definition.</p> <p>NB: this will necessitate repositioning this definition below “LCN Annual Report” to maintain alphabetical order.</p>	For consistency and accuracy (see references to “LCN Fund Governance Document” elsewhere in this condition).
CRC [new] 14.24	Change “has the meaning given in” to “is to be interpreted in accordance with” in the definitions of “First Tier Funding Mechanism”, “Reward Funding Mechanism”, and “Second Tier Funding Mechanism”.	To improve accuracy of terminology
CRC16.6	Change “19.7” at the very end of the paragraph to “16.7”.	To correct typographical error.
CRC16.8	Align the left-hand margin of the text with that of the other paragraphs.	To improve presentation.
CRC16, in Appendix 1, paragraph ES1	After “works” in the first line, delete “for the provision, installation, operation, repair, or maintenance of” and insert “(including any necessary reinforcement works or diversionary works) for the purposes of providing, installing, operating, repairing, or maintaining”.	To remove any possible doubt or ambiguity as to whether such works associated with connections are included in the category.

Attachment 1: CRC 11.4 – Restructuring of the formula for the KIFI term

11.4 For the purposes of the Principal Formula:

IFIEt means the Eligible IFI Expenditure for Regulatory Year t as reported in the IFI Annual Report for that year (see also Part B below).

CBRt means Combined Distribution Network Revenue in the Regulatory Year t as defined in CRC 2 (Definitions for the Charge Restriction Conditions).

PTRIt is the pass-through factor and has the value of 0.8.

KIFIt is the IFI carry-forward in relation to the IFI Scheme as set out in the IFI Annual Report for Regulatory Year t-1, and is calculated from one of the following formulas:

(a) if: $IFIE_{t-1} \leq (0.5 \times 0.005 \times CBR_{t-1})$, then $KIFIt = 0.5 \times 0.005 \times CBR_{t-1}$

or

(b) if: $IFIE_{t-1} > (0.5 \times 0.005 \times CBR_{t-1})$ and $IFIE_{t-1} \leq (0.005 \times CBR_{t-1})$, then $KIFIt = (0.005 \times CBR_{t-1}) - IFIE_{t-1}$

or

(c) if: $IFIE_{t-1} > (0.005 \times CBR_{t-1})$, then $KIFIt = 0$