

To:

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13. **The Company Secretary
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14. **The Company Secretary
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MODIFICATION PURSUANT TO SECTION 11A OF THE ELECTRICITY ACT 1989 OF THE STANDARD CONDITIONS OF ALL DISTRIBUTION LICENCES GRANTED OR TREATED AS GRANTED UNDER SECTION 6(1)(C) OF THE ELECTRICITY ACT 1989

WHEREAS:

1. The companies to whom this document is addressed (the "Licensees") all hold a distribution licence (the "Licences") granted or treated as granted by the Gas and Electricity Markets Authority (the "Authority") under section 6(1)(c) of the Electricity Act 1989 (the "Act").
2. In accordance with section 11A of the Act the Authority gave notice on 23 February 2010 on its website that it proposed to make the modifications to the standard conditions of the Licences and specified that any representations or objections to the proposed modifications must be made within 28 days, on or before 23 March 2010.
3. The proposed modifications as set out in Appendix 2 to the document "Electricity Distribution Price Control Review: statutory consultation on the licence modifications (Ref: 24/10)", 23 February 2010 involve in summary:
 - a. Altering the following standard conditions:
 - (i) Standard condition 1 (Definitions for the standard conditions)
 - (ii) Standard condition 10 (Special services)
 - (iii) Standard condition 12 (Requirement to offer terms for Use of System and connection)
 - (iv) Standard condition 14 (Charges for Use of System and connection)
 - (v) Standard condition 33 (Definitions for the Section B standard conditions)
 - (vi) Standard condition 44 (Regulatory Accounts)
 - (vii) Standard condition 45 (Incentive scheme for quality of service)
 - (viii) Standard condition 46 (Incentive schemes for innovation funding and Distributed Generation)
 - (ix) Standard condition 47 (Reporting of Price Control Revenue Information)
 - (x) Standard condition 48 (Reporting of Price Control Cost Information)
 - (xi) Standard condition 49 (Modification of RIGs in force under Chapter 4 and 12 and overarching RIG structure)

- (b) Adding and including the following new standard conditions:
 - (i) Standard condition 15A (Connection Policy and Connection Performance)
 - (ii) Standard condition 25A (Distributed Generation Connections Guide and Information Strategy)
 - (iii) Standard condition 44A (Network Outputs Regime)
 - (iv) Standard condition 44B (Distribution Losses Reporting Regime)
 - (v) Standard condition 44C (Low Carbon Networks Fund Reporting)
 - (vi) Standard condition 45A (Incentive scheme for Transmission Connection Point Charges)
 - (vii) Standard condition 46A (Business Carbon Footprint Reporting)

- 4. The reasons why the Authority proposed to make these licence modifications and their effect are set out in the following documents published by the Authority:
 - a. Electricity Distribution Price Control Review: Initial Licence Drafting Consultation (Ref: 128/09), 20 October 2009,
 - b. Electricity Distribution Price Control Review: Final Proposals (Ref: 144/09), 7 December 2009,
 - c. Electricity Distribution Price Control Review: Second Licence Drafting Consultation – Appendices (Ref: 158/09), 18 December 2009, and
 - d. Electricity Distribution Price Control Review: statutory consultation on the licence modifications (Ref: 24/10), 23 February 2010.

- 5. In summary, the effect of modifications is to implement those changes to the regulatory framework consulted upon as part of, or in conjunction with, the Electricity Distribution Price Control Review, in particular those changes required to:
 - a. Introduce new and enhanced reporting obligations in support of the revised price controls to be implemented on 1 April 2010,
 - b. Make amendments that are consequential to the implementation of revised standards of performance regulations consulted upon by the Authority,
 - c. Make amendments that are consequential to the implementation of new connection standards of performance regulations consulted upon by the Authority.

- 6. In accordance with section 11A(4) of the Act the Authority sent a copy of the notice of its intention to make the modifications to the Secretary of State and did not receive by 23 March 2010 or at all, a direction from the Secretary of State not to make any modification.

7. The Authority received seven representations (including six from Licensees) suggesting textual clarification to the proposed modifications and the Authority has carefully considered the representations and concluded that much of the suggested clarification falls within section 11A of the Act and can be incorporated into the modifications.
8. The Authority did not receive by 23 March 2010 or at all, a notice of objection from any of the Licensees to the modifications.

NOW in accordance with the powers contained in section 11A of the Act the Authority **HEREBY MODIFIES** the standard conditions in each and every distribution licence granted or treated as granted under section 6(1)(c) of the Act in the manner contained in the attached Schedule **WITH EFFECT** on and from 1 April 2010. This constitutes notice of reasons for the Authority's decision pursuant to section 49A of the Act.



Rachel Fletcher
Partner, Distribution
Authorised on behalf of the Authority
31 March 2010

Schedule

Electricity Distribution Price Control Review

Standard conditions of the
Electricity Distribution Licence

31 March 2010

Altered standard conditions

Condition 1. Definitions for the standard conditions

Introduction

- 1.1 This condition sets out most of the defined words and expressions (all of which begin with capital letters) that are used in the standard conditions of both Section A and Section B of this licence, and gives their definitions next to them.
- 1.2 But:
- (a) where defined words and expressions are used only in a particular standard condition, their definitions are included in that condition, whether it falls in Section A or Section B; and
 - (b) some defined words and expressions that are used only in the standard conditions of Section B are set out, with their definitions, at standard condition 33 (Definitions for the Section B standard conditions).

Definitions in alphabetical order

- 1.3 In the standard conditions of this licence, unless the context otherwise requires:

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.
Application Regulations	means regulations made under section 6A of the Act that set out the form and manner in which applications for an Electricity Licence or any extension or restriction of such a licence are to be made.
Authorised	in relation to any business or activity, means authorised by licence granted or treated as granted under section 6 of the Act or, in any appropriate cases, by exemption granted under section 5 of the Act.
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 who transfers electricity to or from or across an Interconnector or has made an application for use of an Interconnector that has not been refused.
Authority	means the Gas and Electricity Markets Authority that is established under section 1 of the Utilities Act 2000.
Balancing and Settlement Code	means the Balancing and Settlement Code that is provided for in standard condition C3 (Balancing and Settlement Code) of the Transmission Licence.

Charge Restriction Condition	means any condition of this licence the purpose of which (whether on its own or in combination with any other Charge Restriction Condition) is to provide for the determination of a maximum price that may be charged by the licensee or a maximum revenue that may be recovered by it.
Charging Methodology	<p>means a complete and documented explanation, presented in a coherent and consistent manner, of the methods, principles, and assumptions that apply:</p> <p>(a) in relation to Use of System, for determining the licensee’s Use of System Charges; and</p> <p>(b) in relation to connections, for determining the licensee’s Connection Charges,</p> <p>as approved by the Authority by virtue of the provisions of standard conditions 13, 13A or 50 (as the case may be).</p>
Competition Commission	means the body of that name that is established by section 45 of the Competition Act 1998.
Conditions	means all the conditions of the licence in question (which, for the purposes of this particular licence, means each standard condition, each Charge Restriction Condition that is not a standard condition, and any other condition however described that has effect in this licence).
Connection Charges	means charges made or levied, or to be made or levied, by the licensee for the provision, modification, or retention of connections to the licensee’s Distribution System, whether or not such charges or any part of them are annualised, and may include, as appropriate, costs relating to any of the matters mentioned under paragraph A2 of Appendix 1 to standard condition 14 (Charges for Use of System and connection).
Connection Charging Statement	means the statement that the licensee is required to have in place under standard condition 14 (Charges for Use of System and connection) for the purpose of setting out the basis on which charges will be made for the provision of connections to its Distribution System.
Connection RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 15A (Connection Policy and Connection Performance) about Connection Policy and Connection Performance.
Connection Regulations	means regulations made in relation to connection standards of performance under section 39A of the Act.

Connection and Use of System Code	means the Connection and Use of System Code that is provided for in standard condition C10 (Connection and Use of System Code) of the Transmission Licence.
Customer	except for the purposes of standard condition 45 (Incentive scheme for quality of service), where it has the meaning given there, means any person who is supplied or requires 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	means services comprising any or all of the following: the collation and summation of Electricity Meter reading data (whether actual or estimated) and of data for the consumption of electricity at premises that 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 Electricity Meter reading data, and the creation, processing, and validation of data for the consumption of electricity at premises that 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 Electricity Meter reading data from Electricity Meters and the delivery of such data to any person for the purpose of Data Processing.
Data Services	means and is to be understood as the totality of: <ul style="list-style-type: none"> (a) Metering Point Administration Services provided under and in accordance with the provisions of the Master Registration Agreement; and (b) Data Transfer Services provided by the Data Transfer Service.
Data Transfer Catalogue	means the catalogue of that name, containing data flows, data definitions, and data formats, that is established under and is one of the mandatory components of the Master Registration Agreement.
Data Transfer Service	means the service that is established and maintained under standard condition 37 (Provision of the Data Transfer Service) for the purpose of providing Data Transfer Services in accordance with that condition.

Data Transfer Services	means the electronic data transfers specified at paragraph 3 of standard condition 37 (Provision of the Data Transfer Service) which the Data Transfer Service is required to make for any of the purposes set out at paragraph 4 of that condition.
De Minimis Business	means any business conducted or carried on by the licensee, or by an Affiliate or a Related Undertaking of the licensee in which the licensee holds shares or other investments, other than: <ul style="list-style-type: none"> (a) the Distribution Business; and (b) any other business or activity to which the Authority has given its consent under paragraph 4 of standard condition 29 (Restriction of activity and financial ring-fencing of the Distribution Business).
Distribution Business	means a business of the licensee (or, in relation to either of sub-paragraphs (a) and (c), a business 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 that system); (b) the provision of Metering Services and Metering Equipment (including the service of providing Legacy Metering Equipment within the meaning of standard condition 34); and (c) the provision of Data Services, and in each case includes any business that is ancillary to the business in question.
Distribution Code	means the Distribution Code approved by the Authority that the licensee is required to maintain in force under standard condition 21 (The Distribution Code) for the purposes set out in that condition.
Distribution Connection and Use of System Agreement	means the agreement of that name that the licensee is required to maintain in force in a form approved by the Authority under standard condition 22 (Distribution Connection and Use of System Agreement) for the purposes set out in that condition.

Distribution Services Area in relation to the licensee if it is a Distribution Services Provider, means the area specified as such by the Authority under, as may be appropriate:

- (a) standard condition 2 (Application of Section C) of the licensee's Electricity Distribution Licence in the form in which that licence was in force at 31 May 2008; or
- (b) standard condition 3 (Application of the Section B standard conditions) of this licence on or after 1 June 2008.

Distribution Services Direction in relation to the licensee if it is a Distribution Services Provider, means a direction given to the licensee by the Authority under, as may be appropriate:

- (a) standard condition 2 (Application of Section C) of the licensee's Electricity Distribution Licence in the form in which that licence was in force at 31 May 2008; or
- (b) standard condition 3 (Application of the Section B standard conditions) of this licence on or after 1 June 2008,

that specifies or describes the area within which, and the extent to which, the licensee will be obliged to comply with the requirements of the standard conditions of Section B of this licence.

Distribution Services Provider means any Electricity Distributor in whose Electricity Distribution Licence the requirements of Section B of the standard conditions of that licence have effect (whether in whole or in part).

Distribution System means the system consisting (wholly or mainly) of electric lines owned or operated by an Authorised distributor that is 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 in its capacity as operator of that licensee's Transmission System or the GB Transmission System, and includes any Remote Transmission Assets (owned by a Transmission Licensee within England and Wales) that are operated by that Authorised distributor and any electrical plant, Electricity Meters, and Metering Equipment owned or operated by it in connection with the distribution of electricity, but does not include any part of the GB Transmission System.

Domestic Customer	means a Customer who is supplied or requires to be supplied with electricity at Domestic Premises (but excludes 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 of electricity is taken wholly or mainly for domestic purposes.
Electricity Distribution Licence	means an electricity distribution licence granted or treated as granted under section 6(1)(c) of the Act that authorises an Electricity Distributor to distribute electricity.
Electricity Distributor	means any person who is Authorised by an Electricity Distribution Licence to distribute electricity.
Electricity Meter	means any meter which conforms to the requirements of paragraph 2 of Schedule 7 to the Act and is used for the purpose of measuring the quantity of electricity supplied to premises or, in any case other than that, any meter used for measurement purposes in connection with any of the activities of generating, transmitting, or distributing electricity.
Electricity Supplier	means any person who is Authorised to supply electricity.
Electronic Communication	means a message comprising text or an image of text that: <ul style="list-style-type: none"> (a) is sent over a Public Electronic Communications Network; (b) can be stored in that network or in the recipient's terminal equipment until it is collected by the recipient; and (c) is in a particular form and is used for a particular purpose and the recipient of it has expressed a willingness, to the sender, to receive it in that form and for that purpose.
Entry Point	means a point on the licensee's Distribution System at which units of electricity, whether metered or unmetered, enter that system.
Excluded Services	means those services which in accordance with the special conditions of this licence are treated as excluded services.
Exit Point	means a point on the licensee's Distribution System at which units of electricity, whether metered or unmetered, leave that system.
GB System Operator	means National Grid Electricity Transmission plc (which is the company incorporated in England and Wales under registered number 02366977) in its capacity as operator of the GB Transmission System.

GB Transmission System	means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by Transmission Licensees within Great Britain that is used for the transmission of electricity from one generating station to a substation or to another generating station or between substations or to or from any Interconnector, and includes any electrical plant or Electricity Meters owned or operated by any Transmission Licensee within Great Britain in connection with the transmission of electricity, but does not include any Remote Transmission Assets.
Generation Licence	means an electricity generation licence granted or treated as granted under section 6(1)(a) of the Act that authorises a person to generate electricity.
Grid Code	means the Grid Code that is required to be drawn up by the GB System Operator and approved by the Authority under standard condition 14 (Grid Code) of the Transmission Licence.
Holding Company	in relation to the licensee, means a holding company within the meaning of section 1159 of the Companies Act 2006.
Indebtedness	means all liabilities that are now or hereafter due, owing, or incurred, whether actual or contingent, whether solely or jointly with any other person, and whether as principal or surety, together with any interest accruing on them and all costs, charges, penalties, and expenses incurred in connection with them.
Information	means information (other than information subject to legal privilege) in any form or medium 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.
Interconnector Licence	means an electricity interconnector licence granted or treated as granted under section 6(1)(e) of the Act that authorises a person to participate in the operation of an Interconnector.
Legacy Metering Equipment	means Metering Equipment (whether owned by the licensee or not) provided by the licensee in respect of premises at which such equipment had been installed on or before 31 March 2007 and is of the same functionality as was being provided by the licensee at 1 June 2003.

Master Registration Agreement	means the agreement of that name that the licensee is required to maintain in force in a form approved by the Authority under standard condition 23 (Master Registration Agreement) for the purpose of providing for the matters set out in that condition.
Metering Equipment	means an Electricity Meter and any associated equipment that materially affects its operation, and includes (if applicable) Legacy Metering Equipment within the meaning of standard condition 34 (Requirement to offer terms for the provision of Legacy Metering Equipment).
Metering Point	means the point, determined according to the principles and guidance given at Schedule 9 of the Master Registration Agreement, at which a supply of electricity taken into or conveyed from the licensee's Distribution System: <ul style="list-style-type: none"> (a) is or is intended to be measured; or (b) where Metering Equipment has been removed, was or was intended to be measured; or (c) in the case of an Unmetered Supply, is treated as measured.
Metering Point Administration Service	means the service of that name that the licensee must operate and maintain in accordance with the requirements of standard condition 18 (Provision of and charges for Metering Point Administration Services) for the purpose of providing Metering Point Administration Services.
Metering Point Administration Services	means the services to be provided by the Metering Point Administration Service as specified at Appendix 1 to standard condition 18 (Provision of and charges for Metering Point Administration Services).
Metering Services	means any of the services of installing, commissioning, testing, repairing, maintaining, removing, and replacing Metering Equipment.
National Consumer Council	means the body of that name established by section 1 of the Consumers, Estate Agents and Redress Act 2007.
Non-Contestable Connection Services	means those services which, in accordance with the Connection Charging Statement prepared by the licensee under standard condition 14 (Charges for Use of System and connection), cannot be provided by a person other than the licensee.
Notice	means notice given directly to a person in Writing (and includes a notification).

Permitted Purpose	<p>means the purpose of any or all of the following:</p> <ul style="list-style-type: none"> (a) the licensee’s Distribution Business; (b) any De Minimis Business of the licensee within the limits imposed by paragraphs 8 to 10 of standard condition 29 (Restriction of activity and financial ring-fencing of the Distribution Business); (c) any business or activity of the licensee to which the Authority has given its consent under paragraph 4 of standard condition 29; and (d) where appropriate, without prejudice to the generality of sub-paragraphs (a) to (c), any payment or transaction lawfully made or undertaken by the licensee in accordance with paragraph 3 of standard condition 41 (Restriction of Indebtedness and transfers of funds) or paragraph 1(b) of amended standard condition BA 4 (Indebtedness) of Section BA.
Priority Services Register	<p>means the register containing details of certain Domestic Customers, known as Priority Services Register Customers, that must be established and maintained by the licensee in accordance with standard condition 10 (Special services and complaints procedure).</p>
Priority Services Register Customers	<p>means Domestic Customers at premises connected to the licensee’s Distribution System who fall within the description set out at paragraph 3 of standard condition 10 (Special services and complaints procedure).</p>
Public Electronic Communications Network	<p>has the meaning given to that term in section 151 of the Communications Act 2003.</p>
Regulatory Accounts	<p>means the accounts of the licensee produced in accordance with standard condition 44 (Regulatory Accounts).</p>
Regulatory Year	<p>means a period of twelve months beginning on 1 April in any calendar year and ending on 31 March of the next following calendar year.</p>
Related Undertaking	<p>in relation to the licensee, means any undertaking in which the licensee has a participating interest within the meaning of section 421A of the Financial Services and Markets Act 2000.</p>
Relevant Asset	<p>means any asset that for the time being forms part of the licensee’s Distribution System, any control centre for use in conjunction with that asset, and any legal or beneficial interest in land (whether under the law of England and Wales or under the law of Scotland) upon, under, or over which any such asset or control centre is situated.</p>

Remote Transmission Assets	<p>means any electric lines, electrical plant, or Electricity Meters in England and Wales owned by a Transmission Licensee (“the owner transmission licensee”) which:</p> <ul style="list-style-type: none"> (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 substation owned by that 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 that distributor.
Representative	means any person who is directly or indirectly authorised to represent the licensee in its dealings with Customers.
Settlement Purposes	means for the purposes of settlement as provided for in the Balancing and Settlement Code.
Subsidiary	means a subsidiary within the meaning of section 1159 of the Companies Act 2006.
Supply Licence	means an electricity supply licence granted or treated as granted under section 6(1)(d) of the Act that authorises a person to supply electricity.
Transmission Licence	means an electricity transmission licence granted or treated as granted under section 6(1)(b) of the Act that authorises a person to participate in the transmission of electricity.
Transmission Licensee	means any person who is Authorised by a Transmission Licence to participate in the transmission of electricity.
Transmission System	means those parts of the GB Transmission System that are owned or operated by a Transmission Licensee within the transmission area specified in its Transmission Licence.
Ultimate Controller	<p>means any of the following:</p> <ul style="list-style-type: none"> (a) a Holding Company of the licensee that is not itself a Subsidiary of another company; and (b) subject to notes 1 and 2 below, any person who (whether alone or with a person or persons connected with him) is in a position to control, or exercise significant influence over, the policy of the licensee or the policy 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

- (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.

note 1: for the purposes of sub-paragraph (b), a person is connected with another person if he is a party to any arrangement regarding the exercise of any such rights as are described or referred to in that sub-paragraph.

note 2: sub-paragraph (b) does not include any director or employee of a corporate body in his capacity as such.

Unmetered Supply	means a supply of electricity to premises that is not being measured by Metering Equipment for the purpose of calculating the charges for that supply.
Use of System	means use of the licensee's Distribution System for the distribution of electricity by the licensee on behalf of any person (and agreements for Use of System include all those provisions of the Distribution Connection and Use of System Agreement that relate to such use).
Use of System Charges	means charges made or levied, or to be made or levied, by the licensee for the provision of Use of System and certain other services as part of its Distribution Business to any person, but does not include Connection Charges.
Use of System Charging Statement	means the statement that the licensee is required to have in place under standard condition 14 (Charges for Use of System and connection) for the purpose of setting out the basis on which charges will be made for the provision of Use of System.
Website	means a website controlled and used by the licensee to communicate with a Customer or any member of the public for reasons relating to the distribution of electricity.
Working Day	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday, or a day that is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971.
Writing	includes writing that is sent or received by Electronic Communication.

Some legislative definitions

- 1.4 The following words or expressions used in the standard conditions of this licence are defined in the sections indicated in the legislation specified below, and have in this licence the respective meanings given to them by those sections.

Electricity Act 1989	Section
distribute	s.4(4)
electric line	s.64(1)
electrical plant	s.64(1)
functions	s.3A(7)
licence	s.3A(8)
licence holder	s.3A(8)
making a connection	s.16(4)
modification [of a legal instrument]	s.111(1)
premises [except in standard condition 15]	s.64(1)
requiring a connection	s.16(4)
supply	s.4(4)
transmission	s.4(4)
Utilities Act 2000	Section
electricity licence	s.106(1)
Gas Act 1986	Section
gas shipper	s.7A(11)
gas shipper licence	s.7A(2)
gas supplier	s.7A(11)
gas supply licence	s.7A(1)

Condition 10. Special services

10.1 The licensee's obligations under this condition apply in relation to Domestic Customers at premises connected to the licensee's Distribution System.

Duty to establish and maintain a Priority Services Register

10.2 The licensee must establish and maintain a Priority Services Register which contains such details of Priority Services Register Customers ("PSR Customers") as will enable the licensee to fulfil its obligations to them under this condition.

10.3 PSR Customers are Domestic Customers who:

- (a) are of Pensionable Age, disabled, or chronically sick; and
- (b) because they have special communication needs or are dependent on electricity for medical reasons, require certain information and advice about interruptions in the supply of electricity to their premises; and
- (c) have either:
 - (i) personally asked the licensee to add their name to the Priority Services Register, or
 - (ii) had a person acting on their behalf ask for their name to be added to it, or
 - (iii) had a Relevant Supplier ask for their name to be added to it.

Duty to give information and advice to PSR Customers

10.4 The licensee must:

- (a) when a PSR Customer's name is first added to the Priority Services Register, give that customer appropriate information and advice about what precautions to take and what to do in the event of interruptions in the supply of electricity to the customer's premises;
- (b) when it needs to make a planned interruption in the supply of electricity to a PSR Customer's premises, give that customer such prior advice and information as may be appropriate in relation to that event; and
- (c) ensure, so far as is reasonably practicable, that during any unplanned interruption of supply to their premises, PSR Customers are promptly notified and kept informed:
 - (i) of the time at which the supply is likely to be restored, and
 - (ii) of any help that may be able to be provided.

10.5 The licensee must provide the information given under paragraph 10.4:

- (a) free of charge to any PSR Customer; and
- (b) when asked to do so by a PSR Customer who is blind, partially sighted, deaf, or hearing-impaired, in a manner or a format that is suitable for that customer's special communication needs.

Provision of information to the Relevant Supplier

10.6 Where a request for inclusion on the Priority Services Register has come directly from the PSR Customer or a third party (other than the Relevant Supplier) who is acting on behalf of that customer, the licensee must give the Relevant Supplier such details of that customer and his reasons for being included on the register, in such form and at such intervals, as are relevant to the performance of that supplier's obligations under the Supply Licence.

Services for other vulnerable Domestic Customers

10.7 If a Domestic Customer who is of Pensionable Age, disabled, or chronically sick asks it to do so, the licensee must agree a password, free of charge, with that customer that can be used by any Representative of the licensee to enable the customer to identify that person.

10.8 The licensee must provide facilities, free of charge, which enable any Domestic Customer who is:

- (a) blind or partially sighted; or
- (b) deaf or hearing-impaired and in possession of appropriate equipment, to ask or complain about any service provided by the licensee.

Requirement to publicise services and procedure

10.9 The licensee must prepare statements, in plain and intelligible language, that set out and explain its arrangements for complying with its obligations under paragraphs 10.2 to 10.8 (including how PSR Customers may become listed on its Priority Services Register).

10.10 In relation to statements prepared under paragraph 10.9, the licensee must:

- (a) publish them on and make them readily accessible from its Website (if it has one);
- (b) take all reasonable steps to inform Domestic Customers, at least once a year, of the existence of the statements and how to obtain them;
- (c) when asked to do so by a Domestic Customer who is blind, partially sighted, deaf, or hearing-impaired, provide the statements in a manner or a format that is suitable for that customer's special communication needs;
- (d) when asked to do so, provide to a person whose first language is not English such assistance or advice as will enable that person to understand the contents of the statements; and
- (e) give a copy of a statement on request and free of charge to any person.

10.11 The statements prepared under paragraph 10.9 may, at the licensee's choice, be published in the form of a single document that may also include the statement referred to in standard condition 8 (Safety and Security of Supplies Enquiry Service) and standard condition 9 (Arrangements for access to premises).

Other Domestic Customers and other services

10.12 Nothing in this condition prevents the licensee from:

- (a) including Domestic Customers additional to those specified at paragraph 10.3 in its Priority Services Register; or
- (b) providing services to Domestic Customers that exceed those required under this condition.

Interpretation

10.13 In this condition, in relation to a Domestic Customer:

Pensionable Age means pensionable age within the meaning given by section 48(2B) of the Gas Act 1986.

Relevant Supplier means the supplier of electricity to that customer's premises.

Condition 12. Requirement to offer terms for Use of System and connection

Agreement for Use of System

- 12.1 The licensee must, on receiving a request from any person (“the requester”) asking it to do so, offer to enter into an agreement for Use of System under which it will:
- (a) accept into the licensee’s Distribution System, at any Entry Point and in any quantity that was specified by the requester in the request, electricity that is provided by or on behalf of the requester; and
 - (b) distribute that quantity of electricity (subject to any distribution losses) to such Exit Point on the licensee’s Distribution System and to any person as the requester may specify.

Treatment of requests for connection

- 12.2 On receiving a request from any person asking it to make a connection, the licensee:
- (a) must not treat that request as anything other than a Notice given under section 16A of the Act requiring it to make the connection pursuant to section 16(1) of the Act; and
 - (b) to the extent that the request does not comply with the requirements of section 16A of the Act, must take all reasonable steps to ensure that it does so comply.

Provision of information about connection terms

- 12.3 Where the licensee makes an offer to make a connection under section 16(1) of the Act, it must in that offer make detailed provision in relation to:
- (a) any works required to connect the licensee’s Distribution System to any other Distribution System or a Transmission System, and any consents needed for that purpose;
 - (b) any works to extend or reinforce the licensee’s Distribution System which in the opinion of the licensee are necessary or appropriate in consequence of the connection, or modification of an existing connection and any consents needed for that purpose;
 - (c) the installation of any switchgear or other apparatus required for the interruption of supply; and
 - (d) except to the extent included in any agreement offered in accordance with standard condition 34 (Requirement to offer terms for the provision of Legacy Metering Equipment) or standard condition 35 (Requirement to offer terms for the provision of Data Services), the installation of:
 - (i) any Electricity Meters required to enable the licensee to measure electricity that is being accepted into or leaving the licensee’s Distribution System at specified Entry Points or Exit Points, and

- (ii) any special metering, telemetry, or Data Processing equipment for the purpose of enabling any party to the Balancing and Settlement Code to comply with its obligations under that code in respect of metering or the licensee's performance of any related service.

Charges and other terms for Use of System and connection

12.4 Where the licensee makes an offer to enter into an agreement for Use of System under paragraph 12.1 or to make a connection under section 16(1) of the Act, it must in that offer set out:

- (a) the charges to be paid, which must (unless clearly inappropriate):
 - (i) be consistent with the relevant Charging Methodology within the meaning of standard condition 13 (Charging Methodologies for Use of System and connection);
 - (ii) be presented so as to be referable to the Use of System Charging Statement or the Connection Charging Statement (as the case may be) of the licensee under standard condition 14 (Charges for Use of System and connection); and
 - (iii) in the case only of an offer to make a connection, be presented in accordance with the common connection charging template referred to in standard condition 14;
- (b) such other detailed terms as may be appropriate for the purposes of the agreement; and
- (c) in the case only of an offer to make a connection, the date by which any works required for connection to the licensee's Distribution System, including any works to extend or reinforce that system, will be completed (time being of the essence unless otherwise agreed with the person who requires the connection to be made).

Timing of offer of Use of System and connection terms

12.5 The licensee must offer terms for an agreement for Use of System under paragraph 12.1 and for the making of a connection under section 16(1) of the Act:

- (a) as soon as is reasonably practicable after its (or its agent's) receipt of the request from the requester or of the Notice under section 16A of the Act (as the case may be); and
- (b) in any event, except and so far as the Authority otherwise consents, not more than the period set out in paragraph 12.6 after the receipt by the licensee of all the information that it may reasonably require for the purpose of formulating the terms of the offer.

12.6 The period set out in this paragraph is:

- (a) in the case of a request for an agreement for Use of System only, 28 days;
- (b) in the case of a request for an agreement for both Use of System and a connection, three months; and

- (c) in the case of a request for a connection, three months.

Exceptions to the obligation to offer terms

12.7 The licensee is not obliged under paragraph 12.1 to offer to enter into an agreement for Use of System or under paragraph 12.2 to offer to enter into an agreement for connection if doing so would be likely to cause it to be in breach of:

- (a) its duties under section 9 of the Act;
- (b) any regulations made under section 29 of the Act, or any other enactment that relates to safety or standards applicable to the Distribution Business;
- (c) the Grid Code or the Distribution Code; or
- (d) any of the Conditions of this licence,

or if the requester does not agree to be bound, to the extent applicable to him, by the terms of the Grid Code or the Distribution Code.

Settlement of disputes

12.8 Disputes arising under this condition are subject to the provisions of standard condition 7 (Determinations by the Authority) to the extent provided for in that condition.

Application Regulations

12.9 The licensee must, within 28 days of receiving a request from any person, give him any information held by the licensee that he reasonably requires for the purpose of completing an application under the Application Regulations.

Interpretation

12.10 In this condition, any reference to a connection to be made under or pursuant to section 16(1) of the Act includes a reference to a connection to be made in accordance with the terms of a special connection agreement under section 22 of the Act.

Condition 14. Charges for Use of System and connection

Charging Statements to be always available

- 14.1 The licensee must ensure that the following Charging Statements prepared by it are at all times available in a form approved by the Authority:
- (a) a Charging Statement that sets out the basis on which charges will be made for Use of System (“the Use of System Charging Statement”); and
 - (b) a Charging Statement that sets out the basis on which charges will be made for the provision of connections to the licensee’s Distribution System (“the Connection Charging Statement”).

Compliance of Charging Statements with Charging Methodologies

- 14.2 Except with the Authority’s consent, the Charging Statements available under paragraph 14.1 must:
- (a) in the case of the Use of System Charging Statement, be prepared in accordance with the relevant Charging Methodology within the meaning of standard condition 13 (Charging Methodologies for Use of System and connection), standard condition 13A (Common Distribution Charging Methodology), or standard condition 13B (EHV Distribution Charging Methodology) (as appropriate); and
 - (b) in the case of the Connection Charging Statement, be prepared in accordance with the relevant Charging Methodology within the meaning of standard condition 13 (Charging Methodologies for Use of System and connection).

Other general requirements in relation to Charging Statements

- 14.3 Except with the Authority’s consent, the Charging Statements available under paragraph 14.1 must:
- (a) be presented in such form and with such detail as would enable any person to make a reasonable estimate of the charges for which he would become liable in respect of Use of System or (as the case may be) the provision of connections to the licensee’s Distribution System; and
 - (b) be published in such manner as the licensee believes will ensure adequate publicity for it (including on the licensee’s Website).
- 14.4 The licensee must periodically review the information set out in any Charging Statement available under paragraph 14.1 and, at least once in every Regulatory Year, must make any changes that are necessary to that statement to ensure that such information continues to be accurate in all material respects.
- 14.5 The licensee must give or send a copy of any Charging Statement available under paragraph 14.1 to any person who requests it.

- 14.6 The licensee may make a charge for any Charging Statement given or sent under paragraph 14.5 but this must not exceed the amount specified in directions issued by the Authority for the purposes of this condition generally, based on its estimate of the licensee's reasonable costs of providing the statement.

Contents of the licensee's Use Of System Charging Statement

- 14.7 The information that the Use of System Charging Statement must include is specified in Part A of the Schedule of Contents set out at Appendix 1, which is part of this condition.

Charging in accordance with the Use of System Charging Statement

- 14.8 Except with the Authority's consent, every arrangement entered into by the licensee for the purposes of providing Use of System must ensure that the licensee's Use of System Charges will comply with the Use of System Charging Statement in the form in which it is in force at each time at which such charges are to be made under the arrangement.

Amendment of the licensee's Use of System Charges

- 14.9 Without prejudice to paragraph 14.12, before making any amendment to its Use of System Charges the licensee must give the Authority a revised Use of System Charging Statement which sets out the amended charges and specifies the date from which they are to have effect.
- 14.10 Without prejudice to paragraph 14.12 and (as appropriate) paragraph 4 of standard condition 13 (Charging Methodologies for Use of System and connection), paragraph 13A.15 of standard condition 13A (Common Distribution Charging Methodology), or paragraph 13B.15 of standard condition 13B (EHV Distribution Charging Methodology), the licensee must, before any modification of its Use of System Charging Methodology comes into effect, give the Authority a revised Use of System Charging Statement that sets out the amended charges and specifies the date from which they are to have effect.
- 14.11 The licensee must, not less than three months before the date on which it proposes to amend its Use of System Charges in respect of any agreement for Use of System:
- (a) give the Authority a Notice setting out those proposals, together with an explanation of them (including a statement of any assumptions on which the proposals are based); and
 - (b) send a copy of such Notice to any person who has entered into an agreement for Use of System in accordance with the provisions of this licence.
- 14.12 Except with the Authority's consent, the licensee may only amend its Use of System Charges in respect of any agreement for Use of System if:
- (a) it has given Notice of the proposed amendment in accordance with paragraph 14.11; and

- (b) the amendment, when made, conforms to the proposals set out in that Notice (except for any revisions made necessary because there has been a material change since the Notice was given in any of the matters on which the assumptions set out in the statement under paragraph 14.11(a) were said to be based).

Contents of the licensee's Connection Charging Statement

- 14.13 The information that the Connection Charging Statement must include is specified in Part B of the Schedule of Contents set out at Appendix 1, which is part of this condition.
- 14.14 The licensee must ensure that the schedule of items of significant cost referred to in paragraph (a) of Part B of Appendix 1 to this condition is presented in accordance with a template common to all licensees (to be referred to as the common connection charging template).

Charging in accordance with the Connection Charging Statement

- 14.15 Except with the Authority's consent, every arrangement entered into by the licensee for the purposes of providing a connection or modifying or retaining an existing connection must ensure that the charges to be levied under that arrangement comply with the Connection Charging Statement in the form in which it is in force at the time at which the licensee offers to enter into the arrangement.

Specific rules for the licensee's Connection Charges

- 14.16 Connection Charges relating to the matters specified for the Connection Charging Statement in Part B of the Schedule of Contents set out at Appendix 1 are to be set at a level that will enable the licensee to recover:
 - (a) the appropriate proportion (to be determined having regard to the factors set out at paragraphs 14.18 to 14.20) of the costs directly or indirectly incurred in carrying out any works for the extension or reinforcement of the licensee's Distribution System, or for 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) such Margin as the licensee is allowed to charge under Charge Restriction Condition 12 (Licensee's Connection Activities: Margins and the development of competition).
- 14.17 Paragraphs 14.18 to 14.20 apply for the purpose of determining the appropriate proportion that the licensee may recover of the costs directly or indirectly incurred in carrying out any of the works mentioned in paragraph 14.16(a) under an agreement for providing, modifying, or retaining a connection.
- 14.18 The licensee must have regard to the benefit (if any) to be obtained or likely in future to be obtained by itself or any other person from the extension of the licensee's Distribution System or the provision of additional Entry Points or Exit Points on that system as a result of the carrying out of the works in question.

14.19 The licensee must have regard to its ability, or its likely future ability, to recover from third parties a proportion of the costs in question.

14.20 The licensee must have regard to the principles that Connection Charges:

- (a) will not generally take into account Distribution System reinforcement carried out at more than one voltage level above the voltage of the connection;
- (b) will not generally take into account the costs (including any capitalised charge relating to them) for any maintenance, repair, and replacement required of any electric lines or electrical plant provided and installed for making a connection;
- (c) may include an amount for reinforcement of the licensee's Distribution System that is based on a proportionate share of the costs of such reinforcement and is charged at the time of connection; and
- (d) will not cover any costs that are covered by Use of System Charges.

Information on circuit capacity, power flows, and loading

14.21 The licensee must, in accordance with the requirement of paragraph 14.23, give or send to any person on request a report ("the capacity report") which shows 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.

14.22 The capacity report must also contain:

- (a) such further information as is reasonably necessary to enable the person who has made the request under paragraph 14.21 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 that indicates 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.

14.23 The requirement referred to in paragraph 14.21 is for the capacity report to be given or sent to the person who has made the request as soon as reasonably practicable and in any event within 28 days (or, with the Authority's consent, such longer period as the licensee may reasonably require, having regard to the nature and complexity of the request) after the date that is the later of:

- (a) the date of receipt of the request; and
- (b) the date on which the licensee obtains agreement from the person who has made the request to pay the amount estimated by the licensee, or such other amount as is determined by the Authority, under paragraph 14.24.

14.24 The licensee may within ten days after receiving the request under paragraph 14.21 provide an estimate of its reasonable costs for preparing the capacity report, and its obligation to provide the statement takes effect when the person

who has made the request agrees to pay the amount estimated or such other amount as the Authority may, on the application of the licensee or that person, direct.

14.25 The licensee may:

- (a) with the Authority's consent, omit from a capacity report any details about circuit capacity, power flows, loading, or any other information whose disclosure would, in the Authority's view, seriously and prejudicially affect the commercial interests of the licensee or any third party; and
- (b) omit any information whose disclosure would place the licensee in breach of standard condition 42 (Independence of the Distribution Business and restricted use of Confidential Information) (if applicable).

14.26 Appendix 1 follows immediately below.

Appendix 1

Schedule of Contents

This Appendix specifies the information that must be included in the licensee's Use of System Charging Statement (Part A) and the information that must be included in the licensee's Connection Charging Statement (Part B).

Part A: Use of System Charging Statement

- A1. As provided for by paragraph 14.7, the information to be set out in the licensee's Use of System Charging Statement must include:
- (a) A schedule of charges for the distribution of electricity under Use of System.
 - (b) A schedule of adjustment factors to be made for distribution losses, in the form of additional supplies required to cover those losses.
 - (c) A schedule of the charges (if any) which may be made in respect of accounting and administrative services.
 - (d) A schedule of the charges (if any) which may be made (i) for providing and installing any electrical plant at Entry Points or Exit Points, where such provision and installation are ancillary to the grant of Use of System, and (ii) for maintaining such plant.
 - (e) Information on any Use of System rebates given or formally announced to Authorised Electricity Operators in the 12 months preceding the date of publication or revision of the statement.

Part B: Connection Charging Statement

- A2. As provided for by paragraphs 14.13 and 14.14, the information to be set out in the licensee's Connection Charging Statement must include:
- (a) A schedule that lists items of significant cost (including the carrying out of works and the provision and installation of electric lines or electrical plant) likely to be required for the purposes of connection (at Entry Points 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) A statement of the principles on which and the methods by which any charges will be made in respect of any extension or reinforcement of the licensee's Distribution System that is made necessary or appropriate (at the licensee's discretion) by virtue of providing connection to that system or Use of System to any person seeking such connection.
 - (c) A statement of 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) A statement of 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 to comply with his obligations under that code in respect of metering or the performance by the licensee of any service in relation to such metering.
- (e) A statement of the principles on which and the methods by which any charges will be made for the disconnection of electrical plant and electric lines from the licensee's Distribution System and for the removal of such plant and lines following disconnection.
- (f) A statement of the principles on which and the methods by which any charges (including any capitalised charge) will be made for any maintenance, repair, and replacement required of electric lines or electrical plant provided and installed for making a connection to the licensee's Distribution System.

Condition 33. Definitions for the Section B standard conditions

- 33.1 Most of the defined words and expressions (all of which begin with capital letters) that are used only in the standard conditions of Section B of this licence are set out below, alongside their definitions.
- 33.2 But where defined words and expressions are used only in a particular standard condition of Section B, their definitions are included in that condition.

Definitions in alphabetical order

- 33.3 In the standard conditions of Section B of this licence, unless the context otherwise requires:

Appropriate Auditor	means: <ul style="list-style-type: none">(a) in the case of a licensee that is a company within the meaning of section 1 of the Companies Act 2006 a person appointed as auditor under Chapter 2 of Part 16 of that Act;(b) in the case of any other licensee that is required by the law of a country or territory within the European Economic Area to appoint an auditor under provisions analogous to those of Chapter 2 of Part 16 of that Act, a person so appointed; and(c) in any other case, a person who is eligible for appointment as a company auditor under Part 42 of that Act.
Business Carbon Footprint RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 46A (Business Carbon Footprint Reporting) which provide for the requirements as described in that condition in relation to the Business Carbon Footprint Report.
Compliance Statement	means the licensee's statement produced in accordance with paragraph 2 of standard condition 42 (Independence of the Distribution Business and restricted use of Confidential Information) for the purpose of describing the practices, procedures, and systems adopted by the licensee to ensure compliance with its obligations under that condition.
Cost Reporting RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 48 (Reporting of Price Control Cost Information) in relation to the collection and reporting of Price Control Cost Information.

DG RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 46 (Incentive schemes for innovation funding and Distributed Generation) in relation to the collection and reporting of Specified Information as defined in that condition.
Distributed Generation	means an installation comprising any plant or apparatus for the production of electricity that is directly connected to the licensee's Distribution System or is connected to that system through one or more electricity networks (other than an onshore Transmission System) that is or are directly connected to it.
Distribution Losses Reporting RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 44B (Distribution Losses Reporting Regime) in relation to the collection and reporting of Specified Information as defined in that condition.
LCN Fund RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 44C (Low Carbon Networks Fund reporting) in relation to the collection and reporting of Specified Information as defined in that condition.
Network Outputs RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 44A (Network outputs regime) in relation to the collection and reporting of Specified Information as defined in that condition.
New Transmission Capacity Charges	<p>means those elements of Transmission Connection Point Charges that:</p> <ul style="list-style-type: none"> (a) are attributable (in whole or in part) to connection assets first becoming energised on or after 1 April 2010 pursuant to a requirement of the licensee for the provision of new or reinforced connection points between the GB Transmission System and the licensee's Distribution System; and (b) accordingly fall within the category of Specified Information set out at paragraph A2(c) of Appendix 1 of standard condition 45A of this licence (Incentive scheme for Transmission Connection Point Charges).

Price Control Cost Information	means information as defined at paragraph 19 of standard condition 48 (Reporting of Price Control Cost Information) that the licensee is required to collect and submit to the Authority for the purposes of that condition.
Price Control Revenue Information	means the information detailed at Appendix 1 to standard condition 47 (Reporting of Price Control Revenue Information) that the licensee is required to collect and submit to the Authority for the purposes of that condition.
Quality of Service RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 45 (Incentive scheme for quality of service) in relation to the collection and reporting of Specified Information as defined in that condition.
Regulatory Instructions and Guidance	means any of the Regulatory Instructions and Guidance (“RIGs”) issued by the Authority under standard condition 15A (Connection Policy and Connection Performance), standard condition 44A (Network outputs regime), standard condition 44B (Distribution losses reporting regime), standard condition 44C (Low Carbon Networks Fund reporting), standard condition 45 (Incentive scheme for quality of service), standard condition 45A (Incentive Scheme for Transmission Connection Point Charges), standard condition 46 (Incentive schemes for innovation funding and Distributed Generation), standard condition 46A (Business Carbon Footprint Reporting), standard condition 47 (Reporting of Price Control Revenue Information), and standard condition 48 (Reporting of Price Control Cost Information).
Revenue Reporting RIGs	means Regulatory Instructions and Guidance issued by the Authority under standard condition 47 (Reporting of Price Control Revenue Information) in relation to the collection and reporting of Price Control Revenue Information.
Specified Information	for the purposes of standard condition 44A (Network outputs regime), standard condition 44B (Distribution losses reporting regime), standard condition 44C (Low Carbon Networks Fund Reporting), standard condition 45 (Incentive scheme for quality of service) standard condition 45A (Incentive scheme for Transmission Connection Point Charges), and standard condition 46 (Incentive schemes for innovation funding and Distributed Generation), has the meaning given to that term in each of those conditions respectively.

**Transmission
Connection Point
Charges**

means the sum of:

- (a) charges payable by the licensee that are levied by a Transmission Licensee as connection charges by direct reference to the number or nature of connections between the licensee's Distribution System and the GB Transmission System, and includes any associated Transmission Use of System Charges and any remote Transmission Asset Rentals payable by the licensee; and
- (b) charges payable by the licensee to another Authorised distributor in respect of units transported from that person's network and which are recoverable by the licensee from users of its Distribution System in its Use of System Charges.

**Transmission
Connection Point
Charges RIGs**

means Regulatory Instructions and Guidance issued by the Authority under standard condition 45A (Incentive scheme for Transmission Connection Point Charges) in relation to the collection and reporting of Specified Information as defined in that condition.

Condition 44. Regulatory Accounts

Application and purpose

- 44.1 This condition applies on and after 1 April 2010 for the purpose of ensuring that the licensee:
- (a) prepares and publishes Regulatory Accounts within the meaning of paragraph 44.5; and
 - (b) maintains (and ensures that any Affiliate or Related Undertaking of the licensee maintains) such accounting records, other records, and reporting arrangements as are necessary to enable the licensee to comply with that obligation.

Preparation of Regulatory Accounts

- 44.2 For the purposes of this condition, but without prejudice to paragraph 44.8, the licensee must prepare Regulatory Accounts for each Regulatory Year.
- 44.3 Except and so far as the Authority otherwise consents, the licensee must comply with the obligations imposed by paragraphs 44.4 to 44.7 in relation to the preparation of Regulatory Accounts.
- 44.4 The licensee must keep or cause to be kept, for a period approved by the Authority that is not less than the period referred to in section 388 of the Companies Act 2006, and in the manner referred to in that section, such accounting and other records as are necessary to ensure that all of the revenues, costs, assets, liabilities, reserves, and provisions of, or reasonably attributable to, each of the Distribution Business Activities of the licensee are separately identifiable as such in those records (and in those of any Affiliate or Related Undertaking of the licensee).
- 44.5 The Regulatory Accounts are to be prepared on a consistent basis derived from the accounting and other records referred to in paragraph 44.4 and must comprise:
- (a) the matters set out at paragraph 44.6; supported by
 - (b) the matters mentioned at paragraph 44.7.
- 44.6 The matters to which paragraph 44.5(a) refers are:
- (a) a profit and loss account (or, as appropriate, an income statement and a statement of comprehensive income);
 - (b) a statement of total recognised gains and losses (or, as appropriate, a statement of changes in equity and, if appropriate, a statement of recognised income and expense);
 - (c) a balance sheet (or, as appropriate, a statement of financial position);
 - (d) a cash flow statement (or, as appropriate, a statement of cash flows);
 - (e) a Corporate Governance Statement;
 - (f) a Directors' Report; and

- (g) a Business Review.

44.7 The matters to which paragraph 44.5(b) refers are explanatory notes that:

- (a) provide a summary of the accounting policies adopted by the licensee for the purpose of producing Regulatory Accounts;
- (b) disclose, in relation to the accounts to which paragraph 44.6(a) refers, Segmental Information for each of the Distribution Business Activities of the licensee for each of the disclosure lines in the relevant account or statement down to the total operating profit level; and
- (c) disclose, in relation to the accounts to which paragraph 44.6(c) refers, Segmental Information for each of the Distribution Business Activities of the licensee for gross additions to tangible and intangible assets in the case of a balance sheet, or for gross additions to non-current assets by category in the case of a statement of financial position.

Consistency with the statutory accounts

44.8 Regulatory Accounts prepared in respect of a Regulatory Year under paragraph 44.5 must, so far as is reasonably practicable and except with the Authority's approval, having regard to the purposes of this condition:

- (a) have the same content and format as the most recent or concurrent statutory accounts of the licensee prepared under Part 15 of the Companies Act 2006, subject to the inclusion of Segmental Information as prescribed in paragraphs 44.7(b) and (c); and
- (b) comply with all relevant accounting and reporting standards currently in force under the applicable accounting framework as set out in section 395 of the Companies Act 2006.

Audit and delivery of Regulatory Accounts

44.9 Unless the Authority otherwise consents, the licensee must:

- (a) procure an audit by an Appropriate Auditor of such parts of its Regulatory Accounts and the Directors' Report and Business Review as are specified in the Companies Act 2006 as being required to be so audited as if the licensee were a Quoted Company and they were the licensee's statutory accounts drawn up to 31 March and prepared under Part 15 of the Companies Act 2006;
- (b) procure a report by that auditor, addressed to the Authority, that states whether in his opinion those accounts fairly present the licensee's financial position, financial performance, and cash flows in accordance with the requirements of this condition; and
- (c) deliver those accounts and the auditor's report required under paragraph 44.9(b) to the Authority as soon as is reasonably practicable and in any event before the date of their publication under paragraph 44.14.

Terms of appointment of Appropriate Auditor

44.10 For the purposes of paragraph 44.9, the licensee must, at its own expense, enter into a contract of appointment with an Appropriate Auditor which includes a term requiring that the audit of the licensee's Regulatory Accounts must be conducted by that auditor in accordance with all such relevant auditing standards in force on the last day of the Regulatory Year to which the audit relates as would be appropriate for accounts prepared in accordance with the provisions of Part 15 of the Companies Act 2006.

Agreed Upon Procedures in relation to the prohibition of cross-subsidy and discrimination

44.11 The licensee must at its own expense enter into a contract of appointment with an Appropriate Auditor for the completion of Agreed Upon Procedures in relation to the prohibition of cross-subsidy and discrimination generally and in particular under paragraph 9 of standard condition 4 (No abuse of the licensee's special position) and under standard conditions 19 (Prohibition of discrimination under Chapters 4 and 5) and 39 (Prohibition of discrimination under Chapter 9).

44.12 The contract must require that the Agreed Upon Procedures are conducted in relation to each Regulatory Year and that the licensee will arrange for the Appropriate Auditor to address a report to the Authority by 31 July following the end of each Regulatory Year which states that he has, in a manner consistent with the relevant auditing standards, completed the Agreed Upon Procedures issued by the Authority in respect of the Regulatory Year under report and which sets out his findings.

44.13 If the Authority is satisfied that the report referred to in paragraph 44.12 above demonstrates that the licensee has complied with the obligation to avoid discrimination and cross-subsidies that is specified in Article 31 of Directive 2009/72/EC of the European Parliament and of the European Council of 13 July 2009 and is imposed on the licensee by the standard conditions of this licence referred to in paragraph 44.11 above, the report is to be deemed to represent the results of an audit of that obligation, as required by the Article.

Publication and provision of Regulatory Accounts

44.14 Unless the Authority after consulting with the licensee directs otherwise, the licensee must publish its Regulatory Accounts:

- (a) as a stand-alone document in accordance with this condition;
- (b) by 31 July after the end of the Regulatory Year to which the accounts relate;
- (c) on, and in a way that is readily accessible from, its Website; and
- (d) in any other manner which the licensee believes will ensure adequate publicity for the accounts.

44.15 A copy of the Regulatory Accounts must be provided free of charge to:

- (a) the National Consumer Council, no later than the date on which the accounts are published; and
- (b) any person who requests a copy.

Definitions

44.16 For the purposes of this condition:

Agreed Upon Procedures

means procedures from time to time agreed between the Authority, the Appropriate Auditor, and the licensee for the purpose of enabling the Appropriate Auditor to review and report to the Authority on matters relating to the licensee's compliance with the obligation mentioned at paragraph 44.13.

Distribution Business Activities

means the following activities of the licensee:

- (a) the distribution of electricity through the licensee's Distribution System to Demand Customers (as defined in Charge Restriction Condition 2);
- (b) the distribution of electricity through the licensee's Distribution System in respect of Distributed Generation, together with such of the activities covered by sub-paragraphs (c) and (d) of this definition as are directly associated with that activity;
- (c) the provision of Excluded Services (other than any such services falling within the next sub-paragraph) excluding any such provision falling within sub-paragraph (b) of this definition;
- (d) the provision of Metering Equipment and Metering Services (including the service of providing Legacy Metering Equipment but excluding any such provision falling within sub-paragraph (b) of this definition), together with the provision of Data Services;
- (e) any De Minimis Business of the licensee;
- (f) any other activities to which the Authority has consented in accordance with paragraph 4(c) of standard condition 29; and

- (g) any Distribution Business of the licensee in respect of which the activities take place outside the licensee's Distribution Services area.

Quoted Company

has the meaning given in section 385 of the Companies Act 2006

Segmental Information

means such financial and descriptive information in respect of the Distribution Business Activities of the licensee as would be disclosable under International Financial Reporting Standard 8 (or Statement of Standard Accounting Practice 25) if each of those activities was an operating segment (or reportable segment) of the licensee within the meaning of those respective standards.

Interpretation

- 44.17 The requirement under paragraph 44.6 of this condition for the licensee to include a Business Review, a Corporate Governance Statement, and a Directors' Report in its Regulatory Accounts is to be read as if the requirement applied to the licensee as a Quoted Company, whether or not it is such a company.
- 44.18 The documents referred to in paragraph 44.17 must therefore have:
 - (a) in the case of the Business Review, the coverage and content of the business review that a Quoted Company is required to prepare under section 417 of the Companies Act 2006;
 - (b) in the case of the Corporate Governance Statement, the coverage and content of the corporate governance statement that a Quoted Company is required to prepare under the Combined Code on Corporate Governance issued under the Financial Services Authority's listing rules and interpretations on corporate governance; and
 - (c) in the case of the Directors' Report, the coverage and content of the directors' report that a Quoted Company is required to prepare under section 417 of the Companies Act 2006.
- 44.19 Regulatory Accounts prepared by the licensee in respect of the Regulatory Year beginning on 1 April 2009 are subject to the provisions of this condition in the form in which it was in force at 31 March 2010.

Condition 45. Incentive scheme for quality of service

Introduction

- 45.1 This condition requires the licensee to collect and provide the Authority with Specified Information on a common basis with all other Distribution Services Providers, and to an appropriate degree of accuracy, so as to:
- (a) facilitate the establishment and operation of a Quality of Service Scheme to improve the licensee's quality of service performance;
 - (b) enable the Authority to monitor that performance; and
 - (c) identify any unintended consequences that arise from the operation of that scheme and the Charge Restriction Conditions of this licence.

Licensee's obligations

- 45.2 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:
- (a) to measure and record the information detailed in the Schedule of Specified Information set out at Appendix 1, which is part of this condition; and
 - (b) to provide such information to the Authority in respect of such periods and within such timeframes as are specified in that Schedule.
- 45.3 In fulfilling its obligations under paragraph 45.2, the licensee must at all times act in accordance with any Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition ("the Quality of Service RIGs").

Continuation of the Quality of Service RIGs

- 45.4 The Quality of Service RIGs may be modified at any time in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).
- 45.5 The Quality of Service RIGs may include, or make provision for, any of the matters specified at paragraph 45.6.

Contents of the Quality of Service RIGs

- 45.6 Subject to paragraph 45.7, the matters that may be included, or for which provision may be made, in the Quality of Service RIGs are these:
- (a) instructions and guidance on the establishment of different systems, processes, procedures, and ways for providing and recording information, and of standards for different classes of information;
 - (b) a timetable for the development of the systems, processes, and procedures required to achieve the appropriate standards of accuracy and reliability with which Specified Information must be recorded;

- (c) provision with respect to the meaning of words and phrases used in defining Specified Information;
- (d) requirements for the recording of information associated with Specified Information which are reasonably necessary to enable an Examiner nominated by the Authority under paragraph 45.8 to determine the accuracy and reliability of Specified Information;
- (e) requirements as to the form and manner in which, or the frequency with which, Specified Information must be provided to the Authority;
- (f) requirements as to the form and manner in which Specified Information must be recorded and the standards of accuracy and reliability with which it must be recorded; and
- (g) a statement on whether and to what extent each category of Specified Information is required for the purposes of the Quality of Service Scheme.

45.7 The provisions of the Quality of Service RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Nomination of an Examiner

- 45.8 The licensee must permit a person or persons nominated by the Authority (in either case, “an Examiner”) to examine:
- (a) the systems, processes, and procedures referred to in paragraph 45.2 and their operation;
 - (b) the Specified Information collected by the licensee; and
 - (c) the extent to which each of the matters mentioned in sub-paragraphs (a) and (b) complies, and is in accordance, with the Quality of Service RIGs.

Co-operation with an Examiner

- 45.9 Subject to paragraph 45.13, the licensee must co-operate fully with an Examiner so as to enable him to carry out, complete, and report to the Authority on any examination carried out in accordance with paragraph 45.8
- 45.10 The licensee’s obligation to co-operate fully with an Examiner under paragraph 45.9 includes an obligation to ensure, so far as it can, that the following persons also co-operate fully with that Examiner:
- (a) any Affiliate or Related Undertaking of the licensee;
 - (b) any person by whom the licensee procures the performance of the obligations imposed at paragraph 45.2; and
 - (c) any auditor of such person, or of the licensee, or of any Affiliate or Related Undertaking of the licensee.

Provision of access to people and premises

- 45.11 The licensee's obligation under paragraphs 45.9 and 45.10 to co-operate or ensure co-operation with an Examiner includes, so far as may be necessary or expedient for such purpose, and in each case subject to reasonable Notice to the licensee:
- (a) providing access to management, employees, agents, or independent contractors of the licensee sufficient to enable the Examiner to make any enquiries and to discuss any matters which he reasonably considers to be relevant to the carrying out of the examination;
 - (b) giving the Examiner access at reasonable hours to any premises occupied by the licensee or any other person in performing the obligations set out in this condition; and
 - (c) allowing the Examiner at reasonable hours:
 - (i) to inspect and make copies of, and take extracts from, any documents and records of the licensee maintained in relation to Specified Information (other than information that is subject to legal privilege),
 - (ii) to carry out inspections, measurements, and tests on or in relation to any systems maintained and operated for or in relation to the requirements of this condition, and
 - (iii) to take onto such premises or onto or into any assets used for the purposes of the licensee such other persons and such equipment as may be necessary or expedient for the purpose of carrying out the examination.
- 45.12 The licensee is not required to perform its obligations in relation to an Examiner and his functions unless the Examiner has entered into an agreement with the licensee to maintain confidentiality on reasonable terms.

RIG references

- 45.13 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Quality of Service RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.
- 45.14 Appendix 1 follows immediately below.

Appendix 1

Schedule of Specified Information

- A1. As provided for at paragraph 45.2, this Schedule details the Specified Information that the licensee must measure and record under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.

Specified Information Category 1

- A2. This information comprises the number of interruptions in the supply of electricity through the licensee's Distribution System that have a duration of:
- (a) less than three minutes, together (in respect of each such interruption) with the number of Customers whose supply was interrupted and the method of restoring that interruption; and
 - (b) three minutes or more, together (in respect of each such interruption) with:
 - (i) the number of Customers whose supply of electricity was interrupted and the duration of the interruption,
 - (ii) the source, voltage level, and high voltage circuit, and
 - (iii) the total number of re-interruptions.

Specified Information Category 2

- A3. This information relates to telephone calls to the enquiry service operated by the licensee under standard condition 8 (Safety and Security of Supplies Enquiry Service) and comprises:
- (a) the speed of response for answering each such call; and
 - (b) in the case of each call answered by a human operator:
 - (i) the telephone number of the caller,
 - (ii) the time of the call, and
 - (iii) if known, the name of the caller and whether the caller is or is not a Domestic Customer.

Specified Information Category 3

- A4. This information comprises:
- (a) the total number and the cause of faults occurring in specified classes or types of electrical plant or electric lines;
 - (b) a statement setting out the asset management strategy of the licensee in respect of its Distribution System; and
 - (c) a statement of the reasons for any material increase or decrease in the number and cause of faults referred to in sub-paragraph (a), having regard to equivalent data held in respect of previous years.

Specified Information Category 4

- A5. This comprises such other information as may from time to time be specified by the Authority in a direction given under this condition to the licensee and all other Distribution Services Providers as if it were a direction issued under and subject to the provisions of standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) to modify the Quality of Service RIGs.

Collection periods and reporting timeframes

- A6. With the exception of Specified Information under paragraph A3(b) of Category 2 and paragraph A5 of Category 4, all of the Specified Information detailed under this Schedule must be:
- (a) collected (with effect from and including 1 April 2010) in respect of the period comprising each Regulatory Year; and
 - (b) provided to the Authority on or before 30 April (or such later date as the Authority may by Notice specify) in the next following Regulatory Year.
- A7. Specified Information detailed under paragraph A3(b) of Category 2 must be:
- (a) collected in respect of each of the weeks within a Regulatory Year; and
 - (b) provided to the Authority within four days of the end of each such week.
- A8. Specified Information referred to under paragraph A5 of Category 4 must be collected in respect of such period and be provided to the Authority by such date as are specified by the Authority in the direction referred to in that paragraph.

Interpretation

- A9. For the purposes of this Schedule:
- (a) **Customer** means, in relation to any energised or de-energised Entry Point or Exit Point on the licensee's Distribution System where Metering Equipment is used for the purpose of calculating charges for electricity consumption, the person who is providing or is taken to be providing a supply of electricity through that Entry Point, or the person who is receiving or is taken to be receiving a supply of electricity through that Exit Point; and
 - (b) any other words and expressions appearing in the Schedule that are defined, explained, or further elaborated under any provision of the Quality of Service RIGs have the meaning given by, or are to be read in accordance with, that provision.

Condition 46. Incentive schemes for innovation funding and Distributed Generation

Introduction

- 46.1 This condition requires the licensee to collect and provide the Authority with Specified Information on a common basis with all other Distribution Services Providers, and to an appropriate degree of accuracy, so as to:
- (a) facilitate the establishment and operation of:
 - (i) the Distributed Generation Incentive Scheme (“the DG scheme”) to incentivise the effective connection and use of Distributed Generation by the licensee,
 - (ii) the Registered Power Zone Incentive Scheme (“the RPZ scheme”) to incentivise the development and implementation of innovative approaches to further enhance the effective connection and use of Distributed Generation by the licensee, and
 - (iii) the Innovation Funding Incentive Scheme (“the IFI scheme”) to incentivise effective expenditure on innovation by the licensee;
 - (b) enable the Authority to monitor the licensee’s performance in respect of each of the DG scheme, the RPZ scheme, and the IFI scheme; and
 - (c) identify any unintended consequences that arise from the operation of those schemes and the Charge Restriction Conditions of this licence.

Licensee’s obligations

- 46.2 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:
- (a) to measure and record the information detailed in the Schedule of Specified Information set out at Appendix 1, which is part of this condition; and
 - (b) to provide such information to the Authority in respect of such periods and within such timeframes as are specified in that Schedule.
- 46.3 In fulfilling its obligations under paragraph 46.2, the licensee must at all times act in accordance with any Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition (“the DG RIGs”).

Continuation of the DG RIGs

- 46.4 The DG RIGs may be modified at any time on or after 1 June 2008 in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).
- 46.5 The DG RIGs may include, or make provision for, any of the matters specified at paragraph 46.6.

Contents of the DG RIGs

- 46.6 Subject to paragraph 46.7, the matters that may be included, or for which provision may be made, in the DG RIGs are these:
- (a) provision with respect to the meaning of words and phrases used in defining Specified Information;
 - (b) requirements for the recording of information associated with Specified Information which are reasonably necessary to enable an Examiner nominated by the Authority under paragraph 46.8 to determine the accuracy and reliability of Specified Information;
 - (c) requirements as to the form and manner in which Specified Information must be provided to the Authority;
 - (d) requirements as to the form and manner in which Specified Information must be recorded and the standards of accuracy and reliability with which it must be recorded; and
 - (e) a statement on whether and to what extent each category of Specified Information is required for the purposes of any of the schemes.
- 46.7 The provisions of the DG RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Nomination of an Examiner

- 46.8 The licensee must permit a person or persons nominated by the Authority (in either case, “an Examiner”) to examine:
- (a) the systems, processes, and procedures referred to in paragraph 46.2 and their operation;
 - (b) the Specified Information collected by the licensee; and
 - (c) the extent to which each of the matters mentioned in sub-paragraphs (a) and (b) complies, and is in accordance, with the DG RIGs.

Co-operation with an Examiner

- 46.9 Subject to paragraph 46.11, the licensee must co-operate fully with an Examiner so as to enable him to carry out, complete, and report to the Authority on any examination carried out in accordance with paragraph 46.8.
- 46.10 The licensee’s obligation to co-operate fully with an Examiner under paragraph 46.9 includes an obligation to ensure, so far as it can, that the following persons also co-operate fully with that Examiner:
- (a) any Affiliate or Related Undertaking of the licensee;
 - (b) any person by whom the licensee procures the performance of the obligations imposed at paragraph 46.2; and
 - (c) any auditor of such person, or of the licensee, or of any Affiliate or Related Undertaking of the licensee.

46.11 The licensee is not required to perform its obligations in relation to an Examiner and his functions unless the Examiner has entered into an agreement with the licensee to maintain confidentiality on reasonable terms.

RIG references

46.12 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the DG RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

46.13 Appendix 1 follows immediately below.

Appendix 1

Schedule of Specified Information

- A1. As provided for at paragraph 46.2, this Schedule details the Specified Information that the licensee must measure and record under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.

Specified Information in relation to the DG scheme

- A2. This information comprises:
- (a) number of pre-2005 DG and their capacity;
 - (b) number of pre-2005 charged DG and their capacity;
 - (c) post-2005 DG capacity and number of projects, disaggregated;
 - (d) Total Capex for DG;
 - (e) Use of System Capex for DG, disaggregated;
 - (f) shared connection Capex for DG, disaggregated;
 - (g) sole connection Capex for DG, disaggregated;
 - (h) assets transferred out of DG Capex to demand capex;
 - (i) DG network unavailability;
 - (j) DG network unavailability rebate payments; and
 - (k) operational and maintenance costs for DG.

Specified Information in relation to the RPZ scheme

- A3. This information comprises:
- (a) a schedule of all RPZ projects, whether planned, committed, under construction, or in operation, that details their starting year, generating capacity in MW, and connection cost;
 - (b) a summary of the innovation content of the RPZ; and
 - (c) for RPZs in operation, a report of the performance achieved in the reporting year.

Specified Information in relation to the IFI scheme

- A4. This information comprises:
- (a) IFI carry-forward;
 - (b) Eligible IFI Expenditure;
 - (c) Eligible IFI Internal Expenditure;
 - (d) Combined Distribution Network Revenue; and
 - (e) IFI Annual Report.

Other Specified Information

- A5. This information comprises such other information as may from time to time be specified by the Authority in a direction given under this condition to the licensee and all other Distribution Services Providers as if it were a direction issued under and subject to the provisions of standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) to modify the DG RIGs.

Collection periods and reporting timeframes

- A6. With the exception of Specified Information within paragraph A4(a) and paragraph A5, all of the Specified Information detailed under this Schedule must be:
- (a) collected (with effect from and including 1 April 2010) in respect of the period comprising each Regulatory Year; and
 - (b) provided to the Authority on or before 31 July (or such later date as the Authority may by Notice specify) in the next following Regulatory Year.
- A7. An estimate of the Specified Information detailed under paragraph A4(a) must be provided to the Authority on or before 1 April of each Regulatory Year.
- A8. Specified Information referred to under paragraph A5 must be collected in respect of such period and be provided to the Authority by such date as are specified by the Authority in the direction referred to in that paragraph.

Interpretation

- A9. For the purposes of this condition (including this Schedule):
- (a) words and expressions appearing in the condition that are defined under any provision of the Charge Restriction Conditions of this licence have the meaning given by that provision;
 - (b) any words and expressions appearing in the condition that are defined, explained, or further elaborated under any provision of the DG RIGs have the meaning given by, or are to be read in accordance with, that provision; and
 - (c) each of the Distributed Generation Incentive Scheme, the Registered Power Zone Incentive Scheme, and the Innovation Funding Incentive Scheme is the scheme of that name established pursuant to this condition.

Condition 47. Reporting of Price Control Revenue Information

Introduction

47.1 This condition requires the licensee to collect and provide the Authority with Price Control Revenue Information on a common basis with all other Distribution Services Providers and in such manner as will enable the Authority to monitor the licensee's compliance with the Charge Restriction Conditions of this licence.

Licensee's obligations

47.2 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:

- (a) to measure and record the information specified in the Schedule of Price Control Revenue Information ("the Schedule") set out at Appendix 1, which is part of this condition; and
- (b) to provide the Price Control Revenue Information to the Authority in respect of such periods and within such timeframes as are specified in that Schedule.

47.3 In fulfilling its obligations under paragraph 47.2, the licensee must at all times act in accordance with any Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition ("the Revenue Reporting RIGs").

Modification of the Revenue Reporting RIGs

47.4 The Revenue Reporting RIGs may be modified at any time on or after 1 April 2010 in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).

47.5 The Revenue Reporting RIGs may include, or make provision for, any of the matters specified at paragraph 47.6.

Contents of the Revenue Reporting RIGs

47.6 Subject to paragraph 47.7, the matters that may be included, or for which provision may be made, in the Revenue Reporting RIGs with respect to Price Control Revenue Information are these:

- (a) provision with respect to the meaning of words and phrases used in defining Price Control Revenue Information;
- (b) requirements for the recording of information associated with Price Control Revenue Information which is reasonably necessary to enable an Appropriate Auditor to carry out the Agreed Upon Procedures referred to at paragraph 47.8 below;

- (c) requirements as to the form and manner in which Price Control Revenue Information must be provided to the Authority (including templates for doing so); and
 - (d) requirements as to the form and manner in which Price Control Revenue Information must be recorded and the standards of accuracy and reliability with which it must be recorded.
- 47.7 The provisions of the Revenue Reporting RIGs in respect of Price Control Revenue Information must not exceed what is reasonably required to achieve the purposes of this condition.

Requirements for audit of information

- 47.8 Whenever Price Control Revenue Information is provided under Template A of the Revenue Reporting RIGs in accordance with the requirements of the Schedule, the licensee must ensure that this submission of information is accompanied by a report addressed to the Authority from an Appropriate Auditor which states that he has, in a manner consistent with the relevant auditing standards, completed the Agreed Upon Procedures issued by the Authority in respect of the Regulatory Year under report and which sets out his findings.
- 47.9 For the purposes of paragraph 47.8, the licensee must at its own expense enter into a contract of appointment with the Appropriate Auditor which includes a requirement for the Agreed Upon Procedures to be conducted in accordance with any relevant auditing standards in force at the time at which those procedures are carried out.
- 47.10 The licensee must co-operate fully (and must ensure, so far as it can, that any Affiliate or Related Undertaking of the licensee co-operates fully) with the Appropriate Auditor so as to enable him to complete the Agreed Upon Procedures and make the report to the Authority referred to in paragraph 47.8.

Events with a material impact on information

- 47.11 This paragraph applies where the Revenue Reporting RIGs do not provide adequate or sufficient guidance in relation to the collection and reporting of specified items under this condition following any change in the industry's or the licensee's processes or procedures on or after 1 April 2010 that has a significant effect on the calculation of one or more specified items.
- 47.12 For the purposes of paragraph 47.11, a "significant effect" means a change to the calculation of one or more specified items such that its effect on the calculation of Combined Allowed Distribution Network Revenue exceeds, or is likely to exceed, 1 per cent of Base Demand Revenue for that Regulatory Year as defined under the relevant provision of the Charge Restriction Conditions.
- 47.13 Where paragraph 47.11 applies, the licensee must request guidance from the Authority in relation to the treatment of the item or items in question.

47.14 On receiving a request for guidance, the Authority:

- (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 appropriate because of subparagraph (a), other Distribution Services Providers,

may 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.

Restatement of information

47.15 The licensee must take all appropriate steps within its power to ensure that information provided to the Authority for the purposes of this condition in relation to any given Regulatory Year under Template A of the Revenue Reporting RIGs is not restated after the date on which that information has been provided except where restatement is necessary in the opinion of the Appropriate Auditor.

RIG references

47.16 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Revenue Reporting RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

Definitions

47.17 For the purposes of this condition:

Agreed Upon Procedures	means procedures from time to time agreed between the Authority, the Appropriate Auditor, and the licensee for the purpose of enabling the Appropriate Auditor to review and report to the Authority on matters relating to the licensee's provision of Price Control Revenue Information under this condition.
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47.18 Appendix 1 follows immediately below.

Appendix 1

Schedule of Price Control Revenue Information

- A1. As provided for at paragraph 47.2, this Schedule details the Price Control Revenue Information that the licensee must measure and record under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.

Meaning of Price Control Revenue Information

- A2. For the purposes of this condition, Price Control Revenue Information means such items referred to in the Charge Restriction Conditions of this licence as the Authority considers are necessary to monitor, to an appropriate degree of accuracy, compliance with those conditions and will, in particular, include the items specified below.

Items for Use of System Charges

- A3. These items comprise, in relation to the restriction on Demand Use of System Charges and Generation Use of System Charges:
- (a) Regulated Combined Distribution Network Revenue;
 - (b) System Entry Volumes and Units Distributed;
 - (c) Distribution Losses; and
 - (d) Combined Allowed Distribution Network Revenue and its associated terms.

Items in relation to other matters

- A4. These items comprise:
- (a) in relation to the restriction of charges for the provision of Legacy Metering Equipment, the charges for that service;
 - (b) a breakdown of revenue from charges for Excluded Services;
 - (c) details of the licensee's De Minimis Business and associated income; and
 - (d) such other information as is specified in the Revenue Reporting RIGs, or as may from time to time be specified in a direction given to the licensee and all other Distribution Services Providers under this condition as if it were a direction issued under and subject to the provisions of standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) to modify the Revenue Reporting RIGs.

Collection periods and reporting timeframes

- A5. With the exception of information under paragraph A4(d), all of the Price Control Revenue Information specified under this Schedule must be collected (with effect from and including 1 April 2010) in respect of the period comprising each Regulatory Year.
- A6. Price Control Revenue Information collected in accordance with this Schedule or any requirement of the Revenue Reporting RIGs must be provided to the Authority:
- (a) in the case of information specified in Template A (“the detailed return”) included in the Revenue Reporting RIGs, by no later than 31 July in the next Regulatory Year following the Regulatory Year under report; and
 - (b) in the case of information specified in Template B (“the forecast return”) included in the Revenue Reporting RIGs, by no later than 31 October of the relevant Regulatory Year under report, being the licensee’s estimates of those specified items made after 31 July of that year.
- A7. Price Control Revenue Information referred to under paragraph A4(d) must be collected:
- (a) where such information is specified as a requirement of the Revenue Reporting RIGs in force on 1 April 2010, from and including that date; and
 - (b) where such information has been specified by the Authority in the direction referred to in paragraph A4(d), in respect of such period and from such date as is specified in that direction.

Interpretation

- A8. For the purposes of this condition (including this Schedule):
- (a) words and expressions appearing in the condition that are defined under any provision of the Charge Restriction Conditions of this licence have the meaning given by that provision; and
 - (b) any words and expressions appearing in the condition that are defined, explained, or further elaborated under any provision of the Revenue Reporting RIGs have the meaning given by, or are to be read in accordance with, that provision.

Condition 48. Reporting of Price Control Cost Information

Application and purpose

48.1 This condition:

- (a) has effect in order to facilitate any review or modification by the Authority of the requirements of any of the Charge Restriction Conditions of this licence; and
- (b) applies to the reporting of Price Control Cost Information by the licensee and every other Distribution Services Provider for each Regulatory Year for the purposes set out in paragraph 48.2.

48.2 Those purposes are:

- (a) to require the licensee to maintain (and ensure that any Affiliate or Related Undertaking of the licensee maintains) such accounting records, other records, and reporting arrangements as are necessary to enable the licensee to prepare Price Control Cost Information for submission to the Authority in accordance with the requirements of this condition; and
- (b) to ensure that the licensee acts in accordance with any Regulatory Instructions and Guidance issued by the Authority under this condition in relation to the collection, preparation, and reporting of Price Control Cost Information (“the Cost Reporting RIGs”) on a common basis by all Distribution Services Providers.

Preparation of Price Control Cost Information

48.3 Except and so far as the Authority otherwise consents, the licensee must comply with the obligations imposed by paragraphs 48.4 and 48.5 in relation to the preparation of Price Control Cost Information.

48.4 The licensee must keep or cause to be kept, for a period approved by the Authority that is not less than the period referred to in section 388 of the Companies Act 2006, and in the manner referred to in that section, such accounting and other records as are necessary to ensure that the Price Control Cost Information of, or reasonably attributable to, the licensee’s Distribution Business is separately identifiable as such in those records (and in those of any Affiliate or Related Undertaking of the licensee).

48.5 The licensee must prepare Price Control Cost Information in respect of each Regulatory Year:

- (a) on a consistent basis derived from the accounting and other records referred to in paragraph 48.4;
- (b) for such aspects of the licensee’s Distribution Business, and of the business of each Affiliate or Related Undertaking of the licensee that either directly or indirectly provides goods and services to the licensee or forms part of the Distribution Business, as may be specified by the Cost Reporting RIGs; and

- (c) in such manner as may be required under the Cost Reporting RIGs.

Delivery and review of Price Control Cost Information

- 48.6 Except and so far as the Authority otherwise consents, the licensee must deliver the Price Control Cost Information prepared under paragraphs 48.4 and 48.5 to the Authority as soon as is reasonably practicable, and in any event not later than 31 July after the end of the Regulatory Year to which such information relates.
- 48.7 The Authority may, in addition to any audit of the Regulatory Accounts of the licensee carried out under standard condition 44 (Regulatory Accounts), review, or arrange for a person nominated by the Authority (“a Reviewer”) to review, any matters in the Price Control Cost Information in respect of which the Authority requires clarification.
- 48.8 Subject to paragraph 48.10, the licensee must give the Authority or (as the case may be) the Reviewer all such assistance as it or he may reasonably require for the purposes of any review carried out under paragraph 48.7.
- 48.9 The licensee’s obligation to assist the Authority or a Reviewer under paragraph 48.7 includes an obligation to ensure, so far as it can, that the following persons also assist the Authority or that Reviewer:
- (a) any Affiliate or Related Undertaking of the licensee;
 - (b) any person by whom the licensee procures the performance of any obligation imposed by or under this condition; and
 - (c) any auditor of such person, or of the licensee, or of any Affiliate or Related Undertaking of the licensee.
- 48.10 The licensee is not required to perform its obligations in relation to a Reviewer and his functions unless the Reviewer has entered into an agreement with the licensee to maintain confidentiality on reasonable terms.

Continuation of the Cost Reporting RIGs

- 48.11 The Cost Reporting RIGs may be modified at any time on or after 1 June 2008 in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).
- 48.12 The Cost Reporting RIGs may include, or make provision for, any of the matters specified at paragraph 48.13.

Contents of the Cost Reporting RIGs

- 48.13 Subject to paragraph 48.15, the matters that may be included, or for which provision may be made, in the Cost Reporting RIGs, in relation to any requirement of this condition as it applies to the Price Control Cost Information of the licensee, are these:
- (a) the meaning to be applied to words and phrases used in connection with such information;

- (b) the methodology for calculating or deriving numbers comprising any part of such information;
- (c) requirements as to the form and manner in which such information must be recorded;
- (d) requirements as to the standards of accuracy and reliability with which such information must be recorded;
- (e) requirements as to the form and the content of such information;
- (f) requirements as to the manner in which such information must be provided to the Authority; and
- (g) requirements as to those parts of such information that may fall to be considered by a Reviewer and the nature of that consideration.

48.14 The Cost Reporting RIGs may also specify which (if any) of the Price Control Cost Information provided to the Authority under this condition is to be subject to publication by the Authority (having particular regard to section 105 of the Utilities Act 2000).

48.15 The provisions of the Cost Reporting RIGs must not exceed what is necessary to achieve the purposes of this condition, having regard in particular to the materiality of the costs likely to be incurred by the licensee in complying with those provisions.

Requirements for new or more detailed information

48.16 This paragraph applies where a modification of the Cost Reporting RIGs under standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) relates to the introduction into that document of a requirement to provide:

- (a) a new category of Price Control Cost Information; or
- (b) an existing category of Price Control Cost Information to a greater level of detail,

and such information has not previously been collected by the licensee, whether under the provisions of the Cost Reporting RIGs or otherwise.

48.17 Where paragraph 48.16 applies, it will not be a breach of the requirement in question for the licensee to provide estimates to the Authority in respect of the relevant category, for the Regulatory Year in which the modification is made and for any preceding Regulatory Year, derived from such other information available to the licensee as may be appropriate.

RIG references

48.18 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Cost Reporting RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

Interpretation

- 48.19 For the purposes of this condition, **Price Control Cost Information** means the information that is required to be submitted to the Authority under and because of this condition, and is to be read in accordance with the provisions of the Cost Reporting RIGs.

Condition 49. Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure

Introduction

49.1 The purposes of this condition are:

- (a) to explain the way in which and basis on which the Regulatory Instructions and Guidance (“the RIGs”) in force under Chapters 4 and 12 may be modified; and
- (b) to set out how the RIGs referred to in this licence correspond to the overarching RIG structure (described at paragraph 49.14).

49.2 In this condition, references to “the RIGs” are references to any of the Regulatory Instructions and Guidance in force under:

- (a) standard condition 15A (the Connection RIGs);
- (b) standard condition 44A (the Network Outputs RIGs);
- (c) standard condition 44B (the Distribution Losses Reporting RIGs);
- (d) standard condition 44C (the LCN Fund RIGs);
- (e) standard condition 45 (the Quality of Service RIGs);
- (f) standard condition 45A (the Transmission Connection Point Charges RIGs);
- (g) standard condition 46 (the DG RIGs);
- (h) standard condition 46A (the Business Carbon Footprint RIGs);
- (i) standard condition 47 (the Revenue Reporting RIGs); and
- (j) standard condition 48 (the Cost Reporting RIGs).

Structure of this condition

49.3 Parts A to D of this condition set out the procedure and other relevant provisions in relation to the modification of the RIGs.

49.4 Part E of this condition explains how the RIGs referred to in the licence correspond to the overarching RIG structure.

49.5 Appendix 1 to this condition contains a table of correspondence to accompany Part E of this condition.

Part A: Modification of the RIGs by the Authority

49.6 The Authority may modify the RIGs by issuing a direction for that purpose to the licensee and all other Distribution Services Providers after complying with the procedure set out at paragraph 49.12 and subject to:

- (a) in the case of any of the RIGs except for the Cost Reporting RIGs, the provisions of paragraphs 49.7 and 49.8; and

- (b) in the case of the Cost Reporting RIGs, the provisions of paragraph 49.9.

Part B: Provisions to which modifications must conform

- 49.7 The Authority may modify any of the RIGs except for the Cost Reporting RIGs for any of the reasons set out in paragraph 49.8 if it considers that to do so would more effectively achieve the purposes of the standard condition under which the particular RIGs are in force.
- 49.8 The reasons referred to in paragraph 49.7 are that the modification would:
 - (a) improve the presentation or style of the requirements of the 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 Price Control Revenue Information or enlarge existing categories of such information.
- 49.9 The Authority may modify the Cost Reporting RIGs where it considers that it is necessary to do so in order to secure the provision of more accurate, consistent, useful, or comparable Price Control Cost Information for the purposes of any review or modification of any of the requirements of the Charge Restriction Conditions of this licence.

Part C: Restrictions of the power to modify

- 49.10 Where any proposed modification of the Quality of Service RIGs, the DG RIGs, or the Revenue Reporting RIGs relates:
 - (a) to a requirement under those RIGs to provide Specified Information or Price Control Revenue Information to a greater level of accuracy; or
 - (b) in the case of the Quality of Service RIGs and the DG RIGs, to introduce into those RIGs an additional category of Specified Information which is or is intended to be required for the purposes of any of the incentive schemes to which those RIGs relate,

the Authority may not make that modification except in accordance with the procedure under section 11A of the Act that would apply to the modification if it were in fact a modification of a standard condition of this licence.

- 49.11 Any modification of any of the RIGs under this condition to introduce an additional category of Specified Information, Price Control Revenue Information, or Price Control Cost Information or to enlarge an existing category of such information may not exceed what could reasonably be requested from the licensee by the Authority under paragraph 1 of standard condition 6 (Provision of Information to the Authority) (excluding any reference to paragraph 8 of that condition).

Part D: Procedure for modification

49.12 Before issuing a direction under paragraph 49.6, the Authority, by Notice given to the licensee and all other 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, its purpose and effect, and the reasons for proposing it; and
- (c) specify the time (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made,

and must consider any representations or objections that are duly made and not withdrawn.

Part E: Correspondence to overarching RIG structure

49.13 This licence refers to ten separate RIGs as indicated in paragraph 49.2 above.

49.14 Those RIGs are elements of an overarching RIG structure which comprises three principal RIG documents as follows:

- (a) the Network Asset Data and Performance Reporting RIG document (“the NADPR RIG document”);
 - (b) the Customer Service Reporting RIG document (“the CSR RIG document”); and
 - (c) the Cost and Revenue Reporting RIG document (“the CRR RIG document”),
- (collectively, “the RIG documents”).

49.15 It is therefore necessary to explain how the RIGs referred to in this licence correspond to the overarching RIG document structure set out in paragraph 49.14 above.

49.16 A RIG referred to in this licence may correspond to one or more than one RIG document.

49.17 In light of paragraphs 49.15 and 49.16 above, references in this licence to the RIGs outlined in paragraph 49.2 should be read accordingly.

49.18 Appendix 1 to this condition contains a table of correspondence for the purpose referred to in paragraph 49.15 above.

Interpretation

49.19 In this condition, references to modifying the RIGs include references to revoking the RIGs and re-issuing them in a modified form, and “modification” is to be read accordingly.

49.20 Appendix 1 follows immediately below.

Appendix 1

Table of correspondence

RIG (see paragraph 49.2)	Corresponds to following RIG document or documents (see paragraph 49.14)
Connection RIGs	NADPR RIG document CSR RIG document CRR RIG document
Network Outputs RIGs	NADPR RIG document
Distribution Losses Reporting RIGs	NADPR RIG document CRR RIG document
Low Carbon Network Funds RIGs	CRR RIG document
Quality of Service RIGs	NADPR RIG document CSR RIG document
Transmission Connection Point Charges RIGs	NADPR RIG document CRR RIG document
DG RIGs	NADPR RIG document CRR RIG document
Business Carbon Footprint RIGs	NADPR RIG document
Revenue Reporting RIGs	CRR RIG document
Cost Reporting RIGs	CRR RIG document

Added new standard conditions

Condition 15A. Connection Policy and Connection Performance

Introduction

- 15A.1 This condition applies on and after 1 April 2010 for the following purposes.
- 15A.2 The first purpose is to impose particular duties of compliance on the licensee with respect to the licensee's performance under:
- (a) the Connection Regulations; and
 - (b) any Distributed Generation Connection Standards ("DG Standards") that are prescribed by the Authority in a DG Standards Direction issued under this condition.
- 15A.3 The second purpose is to require the licensee to establish and operate a Quotation Accuracy Scheme by reference to which the licensee may in certain circumstances be required to pay compensation to Customers under the Connection Regulations in relation to the accuracy of quotations provided by the licensee.
- 15A.4 The third purpose is to provide for the Authority to issue Regulatory Instructions and Guidance ("the Connection RIGs") about Connection Policy and Connection Performance within the meaning of Part A below.

Part A: Meaning of terms with respect to policy and performance

- 15A.5 For the purposes of this condition:
- (a) references to "Connection Policy" are references to the Authority's policy of promoting competitive connection activity, as reflected in the provisions of Charge Restriction Condition 12 (Licensee's Connection Activities: Margins and the development of competition); and
 - (b) references to "Connection Performance" are references to the licensee's performance under or in relation to the provisions of:
 - (i) standard condition 15 of this licence (Standards for the provision of Non-Contestable Connection Services),
 - (ii) any DG Standards prescribed by the Authority, and
 - (iii) the Connection Regulations.

Part B: Meaning of terms with respect to Distributed Generation (DG)

- 15A.6 For the purposes of this condition:
- (a) a "DG Connection" is a new or modified connection the purpose of which is to enable the licensee's Distribution System to receive a supply of electricity from premises;
 - (b) a "DG Operator" is an owner or occupier of any premises in respect of which a DG Connection is required; and
 - (c) a "DG Standards Direction" has the meaning given in Part H below.

Part C: Scope and contents of the Connection RIGs

15A.7 Any Connection RIGs issued under this condition may, in particular, include provision about or impose requirements in respect of:

- (a) the nature and formulation of the criteria against which the licensee's facilitation of Connection Policy will be assessed by the Authority;
- (b) details of the information to be collected and recorded by the licensee in relation to the application and development of Connection Policy;
- (c) the form and manner in which, and the frequency with which, such information is to be provided to the Authority in respect of Connection Policy;
- (d) the meaning of particular words or expressions used, whether under this licence or elsewhere, in relation to Connection Policy;
- (e) details of the information to be collected and recorded by the licensee in relation to Connection Performance;
- (f) the form and manner in which, and the frequency with which, such information is to be provided to the Authority in respect of Connection Performance;
- (g) the meaning of particular words or expressions used, whether under this licence or elsewhere, in relation to Connection Performance;
- (h) the scope and conduct of any audit required by the Authority in relation to any of the requirements or purposes of either or both of Connection Policy and Connection Performance; and
- (i) the contents of any commentary to be provided by the licensee when providing information to the Authority in respect of either or both of Connection Policy and Connection Performance.

15A.8 The provisions of the Connection RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Part D: Procedure for issuing the Connection RIGs

15A.9 Before issuing Connection RIGs, the Authority, by Notice given to all Electricity Distributors, must:

- (a) state that it proposes to issue the RIGs and specify the date on which it proposes that they should take effect;
- (b) set out the text of the RIGs and the Authority's reasons for proposing to issue them; and
- (c) specify the time (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.

15A.10 The Authority must consider any representations or objections that are duly made and not withdrawn.

15A.11 The requirements of paragraphs 15A.9 and 15A.10 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

Part E: Compliance with and modification of the Connection RIGs

15A.12 In fulfilling its obligations under or in relation to matters of Connection Policy and Connection Performance, the licensee must at all times act in accordance with any relevant provisions of the Connection RIGs.

15A.13 The Connection RIGs may be modified at any time on or after the date on which they come into force in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).

Part F: Licensee's particular duties of compliance

15A.14 It is the licensee's duty under this condition:

- (a) to take all reasonable steps to achieve the standards of performance prescribed for the licensee:
 - (i) by the Connection Regulations, and
 - (ii) by any DG Standards specified by the Authority in a DG Standards Direction,in every case to which each such standard applies; and
- (b) without limiting the general effect of that obligation, to achieve those standards of performance, calculated on a quarterly basis, in at least 90 per cent on average of all of the cases falling within each of the following groups:
 - (i) metered standards of performance relating to budget estimates and quotations (in total),
 - (ii) all other metered standards of performance (in total), and
 - (iii) all unmetered standards of performance (in total).

Part G: Quotation Accuracy Scheme

15A.15 The licensee must from time to time submit to the Authority for its approval a Quotation Accuracy Scheme that:

- (a) enables a Customer to require the licensee to review the accuracy of a quotation provided in respect of the terms for making or modifying such types of connection to the licensee's Distribution System as may be specified in the Connection Regulations for the purposes of that scheme; and
- (b) in the event that the licensee provides an inaccurate quotation, requires the licensee to adjust any charge made to the Customer to the amount properly due under an accurate quotation.

Part H: Scope and contents of a DG Standards Direction

- 15A.16 The Authority may issue a DG Standards Direction for the purposes of this condition in accordance with the provisions of Part I below.
- 15A.17 The licensee must comply with the requirements of a DG Standards Direction.
- 15A.18 A DG Standards Direction is a direction the purpose of which is to ensure that with effect from 1 October 2010 there are standards of performance in place in relation to DG Connections that are equivalent to the standards of performance prescribed for the licensee by the Connection Regulations in relation to the demand connections to which those regulations refer.
- 15A.19 Accordingly, a DG Standards Direction must, in particular, include provision for:
- (a) the specification of the standards of performance that are to apply to DG Connections in relation to the matters and activities covered by regulations 4, 6 and 9 of the Connection Regulations in respect of demand connections;
 - (b) the licensee's performance of those standards within prescribed periods or by reference to agreed dates that are defined in terms consistent with the definitions given to those terms in the Connection Regulations in respect of demand connections;
 - (c) the exemption of the licensee from the specified standards of performance in relation to DG Connections in the same terms as apply under regulation 15 of the Connection Regulations in respect of demand connections;
 - (d) extensions of time in relation to those standards of performance as they apply to DG Connections in the same terms as apply under regulation 16 of the Connection Regulations in respect of demand connections;
 - (e) the resolution of disputes between the licensee and DG Operators in relation to any of the matters covered by sub-paragraphs (a) to (d); and
 - (f) any other matters in relation to the achievement of standards of performance in relation to DG Connections that are consistent with, or incidental to, the fulfilment of the purpose described in paragraph 15A.18 above.
- 15A.20 Subject to paragraph 15A.21, a DG Standards Direction may also require the licensee to give undertakings to the Authority as to the circumstances in which, and the levels at which, compensation will be payable to DG Operators in respect of contraventions of the standards of performance imposed by the direction.
- 15A.21 The circumstances giving rise to a requirement to pay such compensation, and the levels of the compensation payable, must be consistent with those that apply under the Connection Regulations to contraventions of the standards of performance prescribed by those regulations in relation to the demand connections to which they refer.

Part I: Procedure for issuing a DG Standards Direction

- 15A.22 A DG Standards Direction may be issued by the Authority at any time up to and including 30 June 2010, but may not take effect before 1 October 2010.
- 15A.23 Before issuing a DG Standards Direction, the Authority, by Notice given to all Electricity Distributors, must:
- (a) state that it proposes to issue the direction and specify the date on which it proposes that it should have effect;
 - (b) set out the text of the direction and the Authority's reasons for proposing the direction; and
 - (c) specify the time (which may not be less than 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.
- 15A.24 The Authority must consider any representations or objections that are duly made and not withdrawn.
- 15A.25 The requirements of paragraphs 15A.23 and 15A.24 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

Part J: Amendment procedures for a DG Standards Direction

- 15A.26 Notwithstanding any other provision of this licence, a DG Standards Direction duly issued in accordance with Part I above may only be amended in accordance with the procedures that would apply to that direction if it were in fact a standard condition of this licence subject to modification under section 11A of the Act.

Part K: Derogations

- 15A.27 The Authority may, after consulting with the licensee, give a direction ("a derogation") to the licensee that relieves it of its obligations under this condition to such extent, for such period of time, and subject to such conditions as may be specified in the direction.

Condition 25A. Distributed Generation: Connections Guide and Information Strategy

Introduction

25A.1 This condition applies on and after 1 April 2010 for the purpose of ensuring that the licensee:

- (a) makes information available in the public domain that will assist any person who might wish to enter into arrangements with the licensee that relate to the connection of Distributed Generation to the licensee's Distribution System ("DG connections") to understand and evaluate the process for doing so; and
- (b) implements a DG Information Strategy in respect of that information and also of other information more generally related to DG connections.

Scope and contents of the DG Connections Guide

25A.2 Where the Authority gives the licensee a direction to do so, the licensee must work collectively with such other licensees as are also subject to a direction under this condition ("relevant licensees") to prepare and maintain a common set of documents, approved by the Authority and to be known as the DG Connections Guide, that:

- (a) is in such form as may be specified in the direction for the purposes of this condition; and
- (b) contains such information as the licensee can reasonably provide that identifies or relates to the matters specified in paragraph 25A.3.

25A.3 Those matters must (without limitation) include:

- (a) details of the statutory and regulatory framework (including health and safety considerations) that applies to DG connections;
- (b) the likely costs, charges, and timescales involved in the application process typically operated by Electricity Distributors in respect of such connections;
- (c) details of the arrangements and opportunities available for competitive activity in the provision or procurement of such connections; and
- (d) engineering and other technical matters relevant to the commissioning, energisation, and maintenance of such connections.

Preparation and revision of the DG Connections Guide

25A.4 The licensee must, together with the relevant licensees:

- (a) prepare and issue the DG Connections Guide, as approved by the Authority, within a period of three months after the date of the Authority's direction; and

- (b) except with the Authority's consent, review and where appropriate revise the Guide in each following Regulatory Year to ensure that, so far as is reasonably practicable, the information contained in it is up to date and accurate in all material respects.

Licensee's DG Information Strategy

- 25A.5 Where the Authority gives the licensee a direction to do so, the licensee must prepare a DG Information Strategy, for the approval of the Authority, which sets out how the licensee intends to ensure that all existing and potential users of its Distribution System are able to receive an adequate level of information and a satisfactory standard of service in relation to the DG connections process and matters relevant to it.
- 25A.6 The licensee must submit the DG Information Strategy for the approval of the Authority within the time period set out in the direction (which must not be a period of less than 28 days).
- 25A.7 In particular, the scope and contents of the DG Information Strategy must cover how the licensee will provide information to all such users, by type of user, in a form and manner tailored to their particular needs and designed to help them to:
 - (a) understand the DG connections process and the likely range of the costs and timescales involved in obtaining such connections;
 - (b) form an indicative view, by reference to the likely costs and timescales involved, of the most (and the least) advantageous locations within the licensee's Distribution Services Area in which to obtain such connections;
 - (c) understand in appropriate detail the connection opportunities available to DG schemes in a specified locality within that area, and the factors driving any constraints;
 - (d) make an indicative assessment of the connection costs applicable to any specific DG scheme within that area; and
 - (e) request a formal quotation for the connection of a specific DG scheme to the licensee's Distribution System.
- 25A.8 The licensee must implement its DG Information Strategy, as approved by the Authority, with effect from such date as may be specified by the Authority when it approves the Strategy.

Review and revision of the DG Information Strategy

- 25A.9 The licensee must review its DG Information Strategy at least once a year with a view to ensuring that it remains fit for the purposes envisaged by paragraph 25A.5 and, with the consent or at the direction of the Authority, must make any changes to the strategy that may be necessary to enable it to better achieve those purposes.

Procedure for directions under this condition

- 25A.10 Before the Authority gives a direction under this condition, whether in accordance with paragraph 25A.2 or 25A.5, it must inform the licensee of its intention to do so in a Notice that:
- (a) states the date on which it is proposed that the direction should take effect;
 - (b) sets out the proposed contents of the direction with respect to the form in which the DG Connections Guide or the DG Information Strategy (as the case may be) is to be prepared and maintained for the purposes of this condition; and
 - (c) specifies the time (which must not be less than a period of 28 days from the date of the Notice) within which representations with respect to the proposed direction may be made.
- 25A.11 The Authority must consider any representations that are duly made and are not withdrawn.
- 25A.12 A direction under this condition, whether in accordance with paragraph 25A.2 or 25A.5, may be given at any time in a Regulatory Year.

Availability of the Guide and the Strategy

- 25A.13 The licensee must give the Authority a copy of the DG Connections Guide and the DG Information Strategy and of each revision of either document.
- 25A.14 The licensee must also:
- (a) give or send a copy of the DG Connections Guide to any person who requests one and who makes such payment to the licensee as it may require (which must not exceed such amount as the Authority may from time to time approve for that purpose in respect of the document); and
 - (b) publish the DG Connections Guide in such manner as the licensee believes will ensure adequate publicity for it (including by making it readily accessible from the licensee's Website).

Interpretation

- 25A.15 The requirements of paragraphs 25A.10 and 25A.11 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.
- 25A.16 In this condition, **Distributed Generation** has the meaning given in Charge Restriction Condition 2 (Definitions for the Charge Restriction Conditions) and **DG** is to be read as a reference to that term.

Condition 44A. Network Outputs Regime

Introduction

- 44A.1 This condition applies on and after 1 April 2010 and requires the licensee to collect and provide the Authority with Specified Information on a common basis with all other Distribution Services Providers, and to an appropriate degree of accuracy, so as to:
- (a) facilitate the establishment and operation of a reporting, monitoring and assessment regime for the Agreed Network Outputs (“the Network Outputs Regime”); and
 - (b) provide a basis for further development of that regime while it is in force.
- 44A.2 References in this condition to the Agreed Network Outputs are references to the outputs (measured in terms of Distribution Asset health and Distribution Asset utilisation) that form the baseline against which the licensee’s future performance will be assessed in accordance with the Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition (“the Network Outputs RIGs”).
- 44A.3 Those outputs were specified for the licensee in the Authority’s decision document published on 7 December 2009 under document reference 146/09 and are deemed to have been accepted by the licensee by virtue of the Authority’s modification, with the licensee’s consent, of the Charge Restriction Conditions of this licence effective from 1 April 2010.

Licensee’s obligations

- 44A.4 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:
- (a) to estimate, measure, and record the information detailed in the Schedule of Specified Information set out at Appendix 1, which is part of this condition; and
 - (b) to provide such information to the Authority in respect of such periods and within such timeframes as may be specified in or determined under that Schedule.
- 44A.5 In fulfilling its obligations under paragraph 44A.4, the licensee must at all times act in accordance with the Network Outputs RIGs.
- 44A.6 The Network Outputs RIGs may include, or make provision for, any of the matters specified at paragraph 44A.7.

Contents of the Network Outputs RIGs

- 44A.7 Subject to paragraph 44A.8, the matters that may be included, or for which provision may be made, in the Network Outputs RIGs are these:
- (a) a statement of the objectives of the Network Outputs Regime, and a description of how its requirements contribute to the achievement of those objectives;
 - (b) provision with respect to the meaning of words and phrases used in defining Specified Information, including a statement of whether and to what extent each category of Specified Information is required for the purposes of the Network Outputs Regime;
 - (c) requirements as to the form and manner in which, and the frequency with which, Specified Information must be provided to the Authority;
 - (d) requirements in respect of any commentary to be provided by the licensee when providing Specified Information;
 - (e) requirements as to the form and manner in which the Authority's assessment of the licensee's outputs performance is to take place, and a description of how the outcomes of that process are to be implemented;
 - (f) requirements as to the form and manner in which, and the standards of accuracy and reliability with which, Specified Information must be estimated, measured, and recorded; and
 - (g) requirements for the recording of information associated with Specified Information that is reasonably necessary to enable an Examiner nominated by the Authority under paragraph 44A.13 to determine the accuracy and reliability of Specified Information.
- 44A.8 The provisions of the Network Outputs RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Procedure for issuing Network Outputs RIGs

- 44A.9 Before issuing any Network Outputs RIGs, the Authority, by Notice given to all Distribution Services Providers, must:
- (a) state that it proposes to issue the RIGs and specify the date on which it proposes that they should take effect;
 - (b) set out the text of the RIGs and the Authority's reasons for proposing to issue them; and
 - (c) specify the time (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.
- 44A.10 The Authority must consider any representations or objections that are duly made and not withdrawn.

Modification of Network Outputs RIGs

44A.11 The Network Outputs RIGs may be modified at any time on or after the day on which they come into force in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).

Nomination of an Examiner

44A.12 The licensee must permit a person or persons nominated by the Authority (in either case, an “Examiner”) to examine:

- (a) the systems, processes, and procedures referred to in paragraph 44A.4 and their operation;
- (b) the Specified Information collected by the licensee; and
- (c) the extent to which each of the matters mentioned in sub-paragraphs (a) and (b) complies, and is in accordance, with the Network Outputs RIGs.

Co-operation with an Examiner

44A.13 Subject to paragraph 44A.16, the licensee must co-operate fully with an Examiner so as to enable him to carry out, complete, and report to the Authority on any examination carried out in accordance with paragraph 44A.12.

44A.14 The licensee’s obligation to co-operate fully with an Examiner under paragraph 44A.13 includes an obligation to ensure, so far as it can, that the following persons also co-operate fully with that Examiner:

- (a) any Affiliate or Related Undertaking of the licensee;
- (b) any person from whom the licensee procures the performance of the obligations imposed at paragraph 44A.4; and
- (c) any auditor of such person, or of the licensee, or of any Affiliate or Related Undertaking of the licensee.

Provision of access to people and premises

44A.15 The licensee’s obligation under paragraphs 44A.13 and 44A.14 to co-operate or ensure co-operation with an Examiner includes, so far as may be necessary or expedient for such purpose, and in each case subject to reasonable Notice to the licensee:

- (a) providing access to management, employees, agents, or independent contractors of the licensee sufficient to enable the Examiner to make any enquiries and to discuss any matters that he reasonably considers to be relevant to the carrying out of the examination;
- (b) giving the Examiner access at reasonable hours to any premises occupied by the licensee or by any other person in performing the obligations set out in this condition; and
- (c) allowing the Examiner at reasonable hours:

- (i) to inspect and make copies of, and take extracts from, any documents and records of the licensee maintained in relation to Specified Information (other than information that is subject to legal privilege),
- (ii) to carry out inspections, measurements, and tests on or in relation to any systems maintained and operated for or in relation to the requirements of this condition, and
- (iii) to take onto such premises or onto or into any assets used for the purposes of the licensee such other persons and such equipment as may be necessary or expedient for the purpose of carrying out the examination.

44A.16 The licensee is not required to perform its obligations in relation to an Examiner and his functions unless the Examiner has entered into an agreement with the licensee to maintain confidentiality on reasonable terms.

RIG references

44A.17 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Network Outputs RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

Interpretation

44A.18 The requirements of paragraphs 44A.9 and 44A.10 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

44A.19 For the purposes of this condition, any words and expressions appearing in it (with the exception of “Agreed Network Outputs”) that are defined, explained, or further elaborated under any provision of the Network Outputs RIGs have the meaning given by, or are to be read in accordance with, that provision.

44A.20 Appendix 1 follows immediately below and includes definitions relating to this condition as a whole.

Appendix 1

Schedule of Specified Information

- A1. As provided for at paragraph 44A.4, this Schedule details the Specified Information that the licensee must estimate, measure, and record under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.
- A2. The Specified Information detailed below includes information in respect of one primary and one secondary Agreed Network Outputs measure relating to the condition of Distribution Assets, and one primary Agreed Network Outputs measure relating to the utilisation of Distribution Assets.

Specified Information Category 1

- A3. This information comprises the Health Index, which is the primary Agreed Network Outputs measure relating to the condition of Distribution Assets within each Health Index Asset Category.
- A4. Under the Health Index framework, the licensee will, by 1 April 2010, have given each Distribution Asset within each Health Index Asset Category a ranking in the range of 1 to 5 in accordance with the common definitions contained in the Network Outputs RIGs and by reference to each of the following dates:
 - (a) as at 1 April 2010, based on the licensee's assessment of the condition of the relevant Distribution Asset;
 - (b) as at 31 March 2015, based on the licensee's forecast (disregarding the impact of forecast network investment) of the future condition of the relevant Distribution Asset; and
 - (c) as at 31 March 2015, based on the licensee's forecast of the impact of network investment on the condition of the relevant Distribution Asset.
- A5. The Agreed Network Outputs for the Health Index correspond to the information provided under paragraph A4(c).
- A6. The licensee must provide an annual update of the Health Index as at 1 April each year to the Authority in accordance with such requirements in respect of scope and timing as are set out in the Network Outputs RIGs.
- A7. The licensee must provide updates to the Authority of the information first provided under paragraphs A4(b) and A4(c) in accordance with such requirements in respect of scope and timing as are set out in the Network Outputs RIGs.

Specified Information Category 2

- A8. This information comprises the Fault Rate Record, which is the secondary Agreed Network Outputs measure relating to the condition of Distribution Assets.

- A9. The licensee will, by 1 April 2010, have provided forecast Fault Rates for each of the next five Regulatory Years for each Fault Rate Asset Category.
- A10. Each such forecast constitutes the Agreed Network Outputs for the relevant Fault Rate Asset Category.
- A11. The licensee must provide Fault Rate information as at 1 April to the Authority on an annual basis, based on the licensee's actual observed number of unplanned incidents in respect of each Fault Rate Asset Category for the preceding Regulatory Year.
- A12. The licensee's provision of Fault Rate information under paragraph A11 must comply with such requirements in respect of scope and timing as are set out in the Network Outputs RIGs.

Specified Information Category 3

- A13. This information comprises the Load Index, which is the primary Agreed Network Outputs measure relating to the utilisation of Distribution Assets.
- A14. Under the Load Index framework, the licensee will, by 1 April 2010, have given each Demand Group a ranking in the range of 1 to 5 in accordance with the common definitions contained in the Network Outputs RIGs and by reference to each of the following dates:
 - (a) as at 1 April 2010, based on the licensee's assessment of the loading and firm capacity for the Distribution Assets supplying that Demand Group;
 - (b) as at 31 March 2015, based on the licensee's forecast (disregarding the impact of forecast network investment) of demand growth for the Distribution Assets supplying that Demand Group; and
 - (c) as at 31 March 2015, based on the licensee's forecast of the impact of network investment on the loading of the Distribution Assets supplying that Demand Group.
- A15. The Agreed Network Outputs for the Load Index framework correspond to the information provided under paragraph A14(c).
- A16. The licensee must provide an annual update of the Load Index as at 1 April each year to the Authority in accordance with such requirements in respect of scope and timing as are set out in the Network Outputs RIGs.
- A17. The licensee must provide to the Authority an update of the information first provided under paragraphs A14(b) and A14(c) in accordance with such requirements in respect of scope and timing as are set out in the Network Outputs RIGs.

Specified Information Category 4

- A18. This information comprises such commentary and analysis as the Network Outputs RIGs may require the licensee to produce to accompany the Specified Information provided to the Authority under Categories 1 to 3 above.

Specified Information Category 5

A19. This category comprises such other information as may from time to time be specified by the Authority in a direction given under this condition to the licensee and all other Distribution Services Providers as if it were a direction issued under and subject to the provisions of standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) to modify the Network Outputs RIGs.

Collection periods and reporting timeframes

- A20. All of the Specified Information detailed under this Schedule must:
- (a) be collected (with effect from and including 1 April 2010) in respect of the period comprising each Regulatory Year; and
 - (b) be provided, in the next following Regulatory Year, to the Authority:
 - (i) subject to sub-paragraph (ii), on or before 30 September (or such later date as the Authority may by Notice specify), and
 - (ii) in 2014, on or before 31 July (or such later date as the Authority may by Notice specify).

Definitions

A21. For the purposes of this condition:

Agreed Network Outputs	is to be interpreted in accordance with paragraphs 44A.2 and 44A.3 of this condition.
Demand Group	means an individual substation or group of interconnected substations, as specified in or determined pursuant to the Network Outputs RIGs, in respect of which the licensee is required to provide Load Index information.
Distribution Asset	means any of the electric lines and electrical plant included within the licensee's Distribution System.
Examiner	means a person whose degree of knowledge and experience of asset management processes within a Distribution System environment is appropriate for the purposes of properly enabling that person to exercise the functions of an Examiner under this condition.
Fault Rate	means the incidence (per unit) of unplanned incidents for a specific category of Distribution Assets.
Fault Rate Asset Category	means any category of Distribution Assets, as specified in or determined pursuant to the Network Outputs RIGs, in respect of which the licensee is required to provide Fault Rate information.

Fault Rate Record	means the record maintained by the licensee, in a form set out in or determined pursuant to the Network Outputs RIGs, that tracks actual observed Fault Rates against forecast Fault Rates in respect of each Fault Rate Asset Category.
Health Index	means the framework established by the licensee, in accordance with or as determined pursuant to the Network Outputs RIGs, for collating information on the condition of Distribution Assets and for tracking changes in their condition over time.
Health Index Asset Category	means any category of Distribution Assets, as specified in or determined pursuant to the Network Outputs RIGs, in respect of which the licensee is required to provide Health Index information.
Load Index	means the framework established by the licensee, in accordance with or as determined pursuant to the Network Outputs RIGs, for collating information on the utilisation of the Distribution Assets serving each Demand Group and for tracking changes in their utilisation over time.

Condition 44B. Distribution Losses Reporting Regime

Introduction

- 44B.1 This condition applies on and after 1 April 2010 and requires the licensee to collect and provide the Authority with Specified Information on a common basis with all other Distribution Services Providers, and to an appropriate degree of accuracy, so as to:
- (a) facilitate the establishment and operation of a Distribution Losses Reporting Regime that will enable the Authority to monitor the licensee's performance in relation to the Distribution Losses Incentive Scheme established under Charge Restriction Condition 7 (Adjustment of licensee's revenues to reflect distribution losses performance); and
 - (b) identify any unintended consequences that arise from the operation of that scheme and the Charge Restriction Conditions of this licence.

Licensee's obligations

- 44B.2 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:
- (a) to measure and record the information detailed in the Schedule of Specified Information set out at Appendix 1, which is part of this condition; and
 - (b) to provide such information to the Authority in respect of such periods and within such timeframes as may be specified in or determined under that Schedule.
- 44B.3 In fulfilling its obligations under paragraph 44B.2, the licensee must at all times act in accordance with any Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition ("the Distribution Losses Reporting RIGs").
- 44B.4 The Distribution Losses Reporting RIGs may include, or make provision for, any of the matters specified at paragraph 44B.5.

Contents of the Distribution Losses Reporting RIGs

- 44B.5 Subject to paragraph 44B.6, the matters that may be included, or for which provision may be made, in the Distribution Losses Reporting RIGs are these:
- (a) a statement of the objectives of the Distribution Losses Reporting Regime, and a description of how its requirements contribute to the achievement of those objectives;
 - (b) instructions on the establishment of systems, processes, procedures, and ways for recording and reporting Specified Information;
 - (c) provision with respect to the meaning of words and phrases used in defining Specified Information;
 - (d) requirements as to the form and manner in which, and the frequency with which, Specified Information must be provided to the Authority;

- (e) requirements in respect of any commentary to be provided by the licensee when providing Specified Information;
- (f) requirements as to the form and manner in which, and the standards of accuracy and reliability with which, Specified Information must be estimated, measured, and recorded; and
- (g) requirements as to the scope and conduct of any audit required by the Authority in relation to the licensee's collection, recording, and reporting of Specified Information.

44B.6 The provisions of the Distribution Losses Reporting RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Procedure for issuing Distribution Losses Reporting RIGs

44B.7 Before issuing any Distribution Losses Reporting RIGs, the Authority, by Notice given to all Distribution Services Providers, must:

- (a) state that it proposes to issue the RIGs and specify the date on which it proposes that they should take effect;
- (b) set out the text of the RIGs and the Authority's reasons for proposing to issue them; and
- (c) specify the time (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.

44B.8 The Authority must consider any representations or objections that are duly made and not withdrawn.

Modification of Distribution Losses Reporting RIGs

44B.9 The Distribution Losses Reporting RIGs may be modified at any time on or after the day on which they come into force in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).

Statement of Compliance

44B.10 The licensee is required within six months after the effective date of the Distribution Losses Reporting RIGs to submit to the Authority for its approval a Statement of Compliance that explains in detail how the licensee will comply with its requirements of this condition and those RIGs.

44B.11 Where the licensee subsequently changes how it will comply with the requirements of this condition and the Distribution Losses Reporting RIGs, it must submit a revised Statement of Compliance to the Authority for its approval before the changes are made.

RIG references

44B.12 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Distribution Losses Reporting RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

Interpretation

44B.13 The requirements of paragraphs 44B.7 and 44B.8 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

44B.14 For the purposes of this condition (including, in particular, Appendix 1), any words and expressions appearing in it that are defined, explained, or further elaborated under any provision of the Distribution Losses Reporting RIGs have the meaning given by, or are to be read in accordance with, that provision.

44B.15 Appendix 1 follows immediately below.

Appendix 1

Schedule of Specified Information

- A1. As provided for at paragraph 44B.2, this Schedule details the Specified Information that the licensee must measure, record and report under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.

Specified Information Category 1

- A2. This information comprises the System Entry Volumes, Units Distributed and DG Losses Adjustment, which are the primary inputs into the calculation of Adjusted Distribution Losses for the purpose of Charge Restriction Condition 7 (Adjustment of licensee's revenues to reflect distribution losses performance).
- A3. System Entry Volumes are the Volumes of Energy entering the licensee's Distribution System through any and all of the following Entry Points:
- (a) Grid Supply Points,
 - (b) Distribution System Connection Points,
 - (c) Balancing Mechanism Unit Connection Points,
 - (d) Half-hourly Settled Connection Points,
 - (e) Non-half-hourly Settled Connection Points, and
 - (f) Non-DSP Connection Points.
- A4. Units Distributed are Volumes of Energy leaving the licensee's Distribution System through the following Exit Points:
- (a) Grid Supply Points,
 - (b) Distribution System Connection Points,
 - (c) Balancing Mechanism Unit Connection Points,
 - (d) Half-hourly Settled Connection Points,
 - (e) Non-half-hourly Settled Connection Points, and
 - (f) Non-DSP Connection Points.
- A5. The DG Losses Adjustment is the allowed adjustment to the calculation of Adjusted Distribution Losses to take account of the effect caused by distributed generators connected to the Distribution System with a Loss Adjustment Factor less than 0.997.
- A6. The methodology for measuring the Volumes of Energy entering and exiting the licensee's Distribution System through the Entry Points and Exit Points is set out in the Distribution Losses Reporting RIGs.
- A7. The licensee must provide an annual update to the Authority of the information provided under paragraph A2 in accordance with such rules and requirements as are set out in the Distribution Losses Reporting RIGs.

Specified Information Category 2

- A8. This information comprises such commentary and analysis as the Distribution Losses Reporting RIGs may require the licensee to produce to accompany the Specified Information provided to the Authority under Category 1 above.

Specified Information Category 3

- A9. This category comprises such other information as may from time to time be specified by the Authority in a direction given under this condition to the licensee and all other Distribution Services Providers as if it were a direction issued under and subject to the provisions of standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) to modify the Distribution Losses Reporting RIGs.

Collection periods and reporting timeframes

- A10. All of the Specified Information detailed under this Schedule must:
- (a) be collected (with effect from and including 1 April 2010) in respect of the period comprising each Regulatory Year; and
 - (b) be provided to the Authority on or before 31 July in the second Regulatory Year following the Regulatory Year to which the information relates.

Condition 44C. Low Carbon Networks Fund Reporting

Introduction

44C.1 This condition applies on and after 1 April 2010 and provides for the Authority to issue Regulatory Instructions and Guidance (“the LCN Fund RIGs”) about the First Tier Funding Mechanism of the Low Carbon Networks Fund (“the LCN Fund”).

Meaning of certain terms

44C.2 In this condition references to “First Tier Funding Mechanism” and “the LCN Fund” are references to the Authority’s policy for incentivising the development of low carbon networks, as reflected in the provisions of Charge Restriction Condition 13 (Low Carbon Networks Fund).

Contents of the LCN Fund RIGs

44C.3 Any LCN Fund RIGs issued under this condition may, in particular, include provision about or impose requirements in respect of:

- (a) details of the information to be collected and recorded by the licensee in relation to the First Tier Funding Mechanism of the LCN Fund;
- (b) the form and manner in which, and the frequency with which, such information is to be provided to the Authority in respect of the First Tier Funding Mechanism of the LCN Fund;
- (c) the meaning of particular words or expressions used, whether under this licence or elsewhere, in relation to the First Tier Funding Mechanism of the LCN Fund;
- (d) the scope and conduct of any audit required by the Authority in relation to any of the requirements or purposes of the First Tier Funding Mechanism of the LCN Fund; and
- (e) the contents of any commentary to be provided by the licensee when providing information to the Authority in respect of the First Tier Funding Mechanism of the LCN Fund.

44C.4 The provisions of the LCN Fund RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Procedure for issuing the LCN Fund RIGs

44C.5 Before issuing the LCN Fund RIGs, the Authority, by Notice given to all Distribution Services Providers, must:

- (a) state that it proposes to issue the RIGs and specify the date on which it proposes that they should take effect;
- (b) set out the text of the RIGs and the Authority’s reasons for proposing to issue them; and
- (c) specify the time (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.

- 44C.6 The Authority must consider any representations or objections that are duly made and not withdrawn.
- 44C.7 The requirements of paragraphs 44C.5 and 44C.6 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

Compliance with and modification of the LCN Fund RIGs

- 44C.8 In fulfilling its obligations under or in relation to the LCN Fund, the licensee must at all times act in accordance with any relevant provisions of the LCN Fund RIGs.
- 44C.9 The LCN Fund RIGs may be modified at any time on or after the day on which they come into force in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).
- 44C.10 For the purposes of this condition, any words and expressions appearing in it that are defined, explained, or further elaborated under any provision of the LCN Fund RIGs have the meaning given by, or are to be read in accordance with, that provision.

Condition 45A. Incentive scheme for Transmission Connection Point Charges

Introduction

45A.1 This condition applies on and after 1 April 2010 and requires the licensee to collect and provide the Authority with Specified Information on a common basis with all other Distribution Services Providers, and to an appropriate degree of accuracy, so as to:

- (a) facilitate the establishment and operation of a Transmission Connection Point Charges Incentive Scheme under the Charge Restriction Conditions of this licence that is designed to incentivise an efficient level of Transmission Connection Point Charges at the boundary between the licensee's Distribution System and the GB Transmission System; and
- (b) enable the Authority to monitor the licensee's performance in respect of that scheme.

Licensee's obligations

45A.2 Unless and so far as the Authority otherwise consents, the licensee must have and maintain appropriate systems, processes, and procedures to enable it:

- (a) to estimate, measure, and record the information detailed in the Schedule of Specified Information set out at Appendix 1, which is part of this condition; and
- (b) to provide such information to the Authority in respect of such periods and within such timeframes as are specified in that Schedule.

45A.3 In fulfilling its obligations under paragraph 45A.2, the licensee must at all times act in accordance with any Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition ("the Transmission Connection Point Charges RIGs").

Contents of the Transmission Connection Point Charges RIGs

45A.4 Subject to paragraph 45A.5, the Transmission Connection Point Charges RIGs may include or make provision for such matters (including in respect of cost allocation and audit) as the Authority considers appropriate for the purposes of ensuring the consistency, accuracy, and reliability of the Specified Information provided in accordance with Appendix 1.

45A.5 The provisions of the Transmission Connection Point Charges RIGs must not exceed what is reasonably required to achieve the purposes of this condition.

Procedure for issuing Transmission Connection Point Charges RIGs

45A.6 Before issuing any Transmission Connection Point Charges RIGs, the Authority, by Notice given to all Distribution Services Providers, must:

- (a) state that it proposes to issue the RIGs and specify the date on which it proposes that they should take effect;
- (b) set out the text of the RIGs and the Authority's reasons for proposing to issue them; and
- (c) specify the time (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.

45A.7 The Authority must consider any representations or objections that are duly made and not withdrawn.

45A.8 The requirements of paragraphs 45A.6 and 45A.7 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

Modification of Transmission Connection Point Charges RIGs

45A.9 The Transmission Connection Point Charges RIGs may be modified at any time on or after the day on which they come into force in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).

RIG references

45A.10 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Transmission Connection Point Charges RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

Interpretation

45A.11 For the purposes of this condition (including Appendix 1), any words and expressions appearing in it (with the exception of "Transmission Connection Point Charges" and "New Transmission Capacity Charges") that are defined, explained, or further elaborated under any provision of the Transmission Connection Charges RIGs have the meaning given by, or are to be read in accordance with, that provision.

45A.12 Appendix 1 follows immediately below.

Appendix 1

Schedule of Specified Information

- A1. As provided for at paragraph 45A.2, this Schedule details the Specified Information that the licensee must measure and record under this condition, the periods in respect of which the licensee must collect it, and the timeframes within which the licensee must give it to the Authority.
- A2. The Specified Information comprises:
- (a) the total amount of the Transmission Connection Point Charges payable by the licensee in the Regulatory Year (“the total TCP charges”);
 - (b) those amounts (where relevant) of the total TCP charges that refer to assets first becoming energised before 1 April 2010;
 - (c) those amounts of the total TCP charges that qualify as New Transmission Capacity Charges for the purposes of this condition because they are referable to assets first becoming energised on or after 1 April 2010 pursuant to a requirement of the licensee in respect of either:
 - (i) the provision of a new connection point between the GB Transmission System and the licensee’s Distribution System, or
 - (ii) the reinforcement of an existing connection point between those systems;
 - (d) those amounts (where relevant) of the total TCP charges that refer to assets first becoming energised on or after 1 April 2010 but that do not qualify as New Transmission Capacity Charges;
 - (e) the number of new connection points between the GB Transmission System and the licensee’s Distribution System, in total and arising from the licensee’s requirement;
 - (f) the number of existing connection points between those systems that were reinforced, in total and through the licensee’s requirement;
 - (g) the number of existing connection points between those systems that were refurbished; and
 - (h) the number of grid supply point substations within set utilisation bands.

Other Specified Information

- A3. This information comprises such other information as may from time to time be specified by the Authority in a direction given under this condition to the licensee and all other Distribution Services Providers as if it were a direction issued under and subject to the provisions of standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure) to modify the Transmission Connection Point Charges RIGs.

Collection periods and reporting timeframes

- A4. All of the Specified Information detailed under this Schedule must be:
- (a) collected (with effect from and including 1 April 2010) in respect of the period comprising each Regulatory Year; and
 - (b) provided to the Authority on or before 31 July (or such later date as the Authority may by Notice specify) in the next following Regulatory Year.
- A5. An estimate of the Specified Information detailed under paragraph A2(a) must be provided to the Authority on or before 1 April of each Regulatory Year.
- A6. Specified Information referred to under paragraph A4 must be collected in respect of such period and be provided to the Authority by such date as are specified by the Authority in the Notice referred to in that paragraph.

Condition 46A. Business Carbon Footprint Reporting

Introduction

46A.1 This condition applies on and after 1 April 2010 for the purpose of requiring the licensee to provide annual reports to the Authority about its Business Carbon Footprint (as defined in paragraph 46A.13 below).

Licensee's obligations

46A.2 Where the Authority gives the licensee a direction to do so, the licensee must, in each Regulatory Year, prepare and submit to the Authority a report, to be known as the Business Carbon Footprint (BCF) Report, on the total Greenhouse Gas (GHG) emissions arising directly or indirectly from the operations and activities of the licensee's Distribution Business during its confirmed reporting year.

46A.3 The licensee must:

- (a) inform the Authority, by not later than 1 May 2010, of the period that it intends to use as its confirmed reporting year;
- (b) adopt that period as approved by the Authority (or adopt such other period as the Authority may specify) as its confirmed reporting year; and
- (c) inform the Authority, in advance, of any subsequent proposed change to its confirmed reporting year.

46A.4 In fulfilling its obligation under paragraph 46A.2, the licensee must at all times act in accordance with any Regulatory Instructions and Guidance issued by the Authority for the purposes of this condition ("the Business Carbon Footprint RIGs").

Contents of the Business Carbon Footprint RIGs

46A.5 Subject to paragraph 46A.6, any Business Carbon Footprint RIGs issued under this condition may, in particular, include provision about or impose requirements in respect of:

- (a) the form in which the licensee is to prepare and present its BCF Report;
- (b) the date in each Regulatory Year by which the report must be submitted to the Authority;
- (c) the inclusion within the report of a standard template for the presentation of information in a common format that will enable the Authority to rank the GHG emissions performance of all licensees that are subject to a direction under this condition;
- (d) the quantification (including estimation) of GHG emissions by reference to different categories or segments of the licensee's Distribution Business activities and operations;

- (e) the appropriate attribution of GHG emissions as between those activities and operations of the licensee's Distribution Business that are performed directly by the licensee itself and those that are performed on behalf of the licensee by a different legal entity; and
- (f) the matters that are to be explained by the licensee in a commentary to accompany the report, including, in particular:
 - (i) the data sources and processes relied upon by the licensee for the purposes of recording or estimating GHG emissions; and
 - (ii) the methods used by the licensee for the purposes of converting GHG emissions into carbon dioxide equivalent emissions.

46A.6 The provisions of the Business Carbon Footprint RIGs must not exceed what is reasonably required to achieve the purpose of this condition.

Procedure for issuing Business Carbon Footprint RIGs

46A.7 Before issuing any Business Carbon Footprint RIGs, the Authority, by Notice given to all Electricity Distributors, must:

- (a) state that it proposes to issue the RIGs and specify the date on which it proposes that they should take effect;
- (b) set out the text of the RIGs and the Authority's reasons for proposing to issue them; and
- (c) specify the date (which must not be less than a period of 28 days from the date of the Notice) within which representations or objections with respect to the proposal may be made.

46A.8 The Authority must consider any representations or objections that are duly made and not withdrawn.

46A.9 The requirements of paragraphs 46A.7 and 46A.8 may be satisfied by action taken before, as well as by action taken after, the commencement of this condition.

Modification of the Business Carbon Footprint RIGs

46A.10 The Business Carbon Footprint RIGs may be modified at any time on or after 1 April 2010 in accordance with the procedures and subject to the other provisions specified in standard condition 49 (Modification of RIGs in force under Chapters 4 and 12 and overarching RIG structure).

Availability of the BCF Report

46A.11 At the same time in each Regulatory Year as it submits its BCF Report to the Authority, the licensee must also:

- (a) publish that report in such manner as the licensee believes will ensure adequate publicity for it (including by making it readily accessible from the licensee's Website); and

- (b) give or send a copy of that report to any person who requests one and makes such payment to the licensee as it may require (which must not exceed such amount as the Authority may from time to time approve for that purpose in respect of the document in question).

RIG references

46A.12 As explained in Part E of standard condition 49 (Modification of RIGs under Chapters 4 and 12 and overarching RIG structure), references in this licence to the Business Carbon Footprint RIGs are to be taken as references to the corresponding RIG documents as specified in Appendix 1 to standard condition 49.

Interpretation

46A.13 For the purposes of this condition:

Greenhouse Gas	has the meaning given in section 92 of the Climate Change Act 2008 (and GHG is to be read as a reference to that term).
Business Carbon Footprint (including when shortened to BCF)	refers to the measurement framework established under what is commonly known as the GHG Protocol, but subject to any particular variations or requirements specified by the Authority in the Business Carbon Footprint RIGs.