



To Distribution Licence Holders,
Suppliers, Generators, other
interested parties

*Promoting choice and value for
all gas and electricity customers*

Direct Dial: 020 7901 7458
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Date: 17 November 2010

Dear colleague,

Consultation on proposed licence modifications: governance arrangements for electricity distribution use of system charging methodology

On 20 September 2010 we issued an open letter consultation¹ (the "September open letter") on a number of proposed modifications to the electricity distribution licence standard licence conditions ("SLCs"). We set out that we consider the proposed modifications are necessary to bring the governance of the electricity distribution use of system charging methodologies in line with the conclusions of the Code Governance Review ("CGR").

This letter and its Appendix 1 summarises responses received to the proposed modifications contained in the September open letter and sets out our views on the issues raised. After considering these responses, we consider it is appropriate to implement changes to the Authority decision making process for modifications to the electricity distribution use of system charging methodology. To that end, attached at Appendix 2 is the collective licence modification notice ("CLM") under section 11A of the Electricity Act 1989 that has been issued today.

Background

We set out in the September open letter that, as a result of the CGR, we consider it is appropriate that, amongst other things, the Authority decision making process for changes to use of system charging methodologies is consistent with those for code modifications.

We noted that separately we have been working with the Distribution Network Operators (DNOs) to develop common electricity distribution use of system charging methodologies through the structure of charges project². We also noted that this includes the introduction of SLCs 50³ and 50A⁴, requiring Distribution Network Operators (DNOs) to develop a Common Distribution Charging Methodology (CDCM) for lower voltage levels and the Extra High Voltage Distribution Charging Methodology (EDCM) for the highest voltage levels. This resulted in the DNOs bringing forward DCUSA Change Proposal (DCP) 46B⁵. DCP46B, which was approved by the Authority in December 2009, introduced governance arrangements for the CDCM and EDCM into the Distribution Connection and Use of System Agreement (DCUSA) in line with the relevant objectives and governance framework set out

¹ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=339&refer=Licensing/IndCodes/CGR>

² <http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgs/Pages/DistChrgs.aspx>

³ Development and implementation of a Common Distribution Charging Methodology

⁴ Development and implementation of an EHV Distribution Charging Methodology

⁵ <http://www.ofgem.gov.uk/Licensing/ElecCodes/DCUSA/Changes/Documents1/DCP046D.pdf>

in the distribution licence. This change proposal allows for, amongst other things, any DCUSA party and, with the written consent of the Authority, any party materially affected by the CDCM or the EDCM to formally raise and have modifications to the charging methodology consulted on and referred to the Authority.

In the September open letter we highlighted that although DCP46B introduces the governance arrangements for the CDCM and EDCM into the DCUSA, changes to the code decision making framework are inconsistent with the conclusions of the CGR. Specifically, we propose to make the Authority decision process for changes to use of system charging methodologies consistent with those for other DCUSA Part 1 modifications, therefore to issue such decisions within a specified Key Performance Indicator (KPI)⁶. We also proposed changes to update and simplify the licence conditions to reflect that a large part of the governance arrangements for electricity distribution methodologies are now in the DCUSA.

Responses to September open letter and Ofgem views

On 8 October 2010, Ofgem hosted a workshop via conference call to discuss the changes proposed in our September open letter that was attended by a number of industry participants. At this event the proposed licence drafting was discussed and we encouraged attendees to respond in writing to the September open letter.

We received seven responses to the September open letter and these are available on the Ofgem website⁷. Substantive issues raised by respondents are summarised below together with Ofgem's views. We have also included in Appendix 1 a summary of additional drafting changes proposed by respondents and our views on these. We are grateful to respondents for providing their comments on the proposed licence modifications and we have considered these in reaching our final views.

Of the seven respondents who provided comments five agreed in principle with the licence modifications proposed in the September open letter. Two respondents gave no opinion on whether they agreed or disagreed with the proposals.

Date proposed licence modifications could come into effect

Six of the respondents commented on the date contained in draft SLC 22A.18. SLC 22A.18 as drafted in the September open letter proposed that the licence modifications will come into effect on 31 December 2010. In our September open letter we commented that the proposed licence modifications will result in changes to the DCUSA. Each of the respondents who commented on the proposed date was concerned that it would be difficult to amend the DCUSA so that it reflected the licence obligations by 31 December 2010 due to the time needed for any DCUSA change proposal to be assessed and implemented. One respondent proposed that any required DCUSA change could be "fast tracked". Other respondents put forward alternative dates or timescales in which these proposed licence modifications could come into effect.

We have considered the concerns raised by respondents to the proposal that these proposed licence modifications would come into effect on 31 December 2010. We agree with respondents that more time is needed to allow licensees to raise a change proposal to the DCUSA that will ensure that the code requirements and the licence are aligned. For this reason, we now intend that these proposed licence modifications will come into effect on 1 April 2011, subject to the statutory consultation. We note the suggestion by one respondent that any DCUSA change proposal that aligns the licence and DCUSA could be "fast tracked". We do not consider that, in this instance, it will be appropriate to "fast track" any consequential DCUSA change proposal as we do not consider this change merits urgent treatment at this time. The amended date on which the proposed licence

⁶ The self imposed current KPI for making code decisions is 25 working days with an open ended time frame if we consider that we need to undertake an Impact Assessment

⁷ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=339&refer=Licensing/IndCodes/CGR>

modifications may come into effect, subject to this consultation, should allow an appropriate change proposal to be raised in the meantime. Any such change proposal should ensure that the provisions in the DCUSA also recognise the proposed transitional provisions in SLC 22A.17.

Transitional Provisions

A number of respondents requested clarity on the effect of the provisions contained at SLC 22A⁸.17. One respondent commented that SLC 22A.17 contradicts the policy intention as it retains the 28 day veto process for change proposals to the CDCM and EDCM that is in effect now.

The transitional provision in SLC 22A.17 would only apply to change proposals reported to the Authority before 1 April 2011, therefore under the current 28 day veto process, but where that 28 day veto period has not expired on 1 April 2011. The provision ensures that any change proposal reported before this date under the existing veto arrangements remains valid and the current veto process still applies to that change proposal if the new process begins in DCUSA on 1 April 2011 and the 28 day veto period has not yet expired on that date. For change proposals that have not yet been reported to the Authority by 1 April 2011, going forward they would be considered under the DCUSA change proposal decision framework so that any modifications to the CDCM and EDCM must only be implemented in the same manner as other Part 1 code modifications, under SLC 22.14(b), albeit with different relevant objectives.

We do not agree with the respondent's view that SLC 22A.17 contradicts the purpose of the proposed licence modifications. The effect of this provision is to cover a particular period of time and it is not an enduring process. Any change proposal to the CDCM and EDCM reported to the Authority after 1 April 2011 will be treated, if the proposed licence modifications are approved, as any other Part 1 matter under DCUSA and subject to usual code decision making framework.

Requirement to meet with other parties

One respondent's view was that the proposed drafting of SLC 22A.18 in the September open letter alters the original meaning of this obligation contained in SLC 50.23 to SLC 50.25 and SLC 50A.25 to 50A.27. Another respondent was concerned about how the obligation to meet periodically with other Distribution Services Providers, Authorised Electricity Operators and persons whose interests are materially affected by the CDCM and EDCM to discuss the further development of the CDCM and EDCM would work. In particular, this respondent felt that as drafted, this obligation would mean that if any of these parties chose not to attend such a meeting, the licensee would be in breach of its licence. Another respondent commented that the obligations contained in the proposed drafting of SLC 22A.18 should be moved to Part C (Licensee's obligations under this condition) of SLC 22A as this is also an obligation of the licensee.

We note the comment made by one respondent that the proposed drafting of this obligation does not fully reflect the existing obligation, therefore we have revised the provision to provide for the licensee, in conjunction with all other distribution services providers, and in consultation with other authorised electricity operators, to develop arrangements that provide for the licensee to meet with other interested parties to discuss the further development of the CDCM and EDCM which is an existing obligation taken from SLC 50.23 to SLC 50.25 and SLC 50A.25 to 50A.27 as appropriate.

We also note the view that it is more appropriate to place the obligations contained in SLC 22A.18 of the September open letter in Section C of this licence condition. In light of the amendments we have made to more fully reflect the current obligations, we have moved

⁸ Governance and change control arrangements for Relevant Charging Methodologies

the obligations that were proposed to be contained in SLC 22A.18 to Section C of SLC 22A. This also results in the renumbering of paragraphs in SLC 22A.

We note one respondent's concerns that, as drafted, SLC 22A.18 would mean that if any party entitled to attend a meeting to discuss the CDCM or EDCM chose not to attend such a meeting, the licensee would be in breach of its licence. We consider that the obligations now proposed to be contained in Section C of SLC 22A are currently existing obligations contained in SLC 50 and SLC 50A. We also note that parties already meet to discuss the further development of the CDCM and EDCM at the Distribution Charging Methodology Forum⁹ ("DCMF"). As set out in our Direction issued under SLC 50 and SLC 50A on modification arrangements for the CDCM and EDCM on 17 December 2009¹⁰, the DCMF provides the forum at which potential changes to the CDCM and EDCM are discussed with interested parties before being raised, if appropriate, as formal change proposals to the DCUSA.

General comments

One respondent commented that in its view there are in effect two parallel modification processes for the CDCM given it has only conditional approval under Part D of SLC 50 (approving the CDCM) from the Authority in its decision of 20 November 2009¹¹. This respondent considered that any change proposals to the CDCM to meet any outstanding condition should be subject only to the Authority's approval which would be given if it is satisfied that any outstanding conditions are fulfilled while all other change proposals will be considered under the DCUSA modification process. This respondent also highlighted that the initial approval process for the EDCM under SLC 50A is still to take place. In this respondent's view this should be recognised as a different approval process by the Authority.

One respondent commented that its view is that the provisions concerning the charging methodologies in the electricity distribution licence need to be simplified to make the licence easier to use.

Another respondent noted that other possible changes to the electricity distribution licence may be proposed at the same time as the changes proposed in our September open letter and to a number of the same SLCs. This respondent considered that any overlap needs to be carefully managed to avoid confusion.

We note that we are currently considering whether a particular condition to the approval of the CDCM in the Authority's decision of 20 November 2009 has been fulfilled. For clarity, if the CDCM requires to be changed to meet a condition of the direction granted by the Authority, any such resulting change proposal to the CDCM will be considered in line with the DCUSA change process, as the CDCM is now implemented in the DCUSA. The approval of the EDCM by the Authority is subject to the obligations in Part D of SLC 50A. Any future modifications to the EDCM will be subject to the change process and arrangements in the DCUSA once the EDCM is implemented in the DCUSA.

We note the comment from the respondent in respect of the licence conditions concerning charging methodologies and that these should be simplified. It is our intention to tidy up these licence conditions in due course subject to DNOs' progress in discharging their obligations to develop the CDCM and the EDCM under SLC 50 and 50A.

⁹ The DCMF terms of reference are available at the following link:

<http://2009.energynetworks.org/distribution-charging-methodol/>

¹⁰ Direction under Standard Condition 50 and Standard Condition 50A of the electricity distribution licence. Copy can be found on this link:

[http://www.ofgem.gov.uk/Licensing/Work/Notices/Decisions/Documents1/Governance%20Direction%20171209%20Final%20version%20\(2\).pdf](http://www.ofgem.gov.uk/Licensing/Work/Notices/Decisions/Documents1/Governance%20Direction%20171209%20Final%20version%20(2).pdf)

¹¹ Copy can be found at the following link:

[http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgs/Documents1/CDCM%20decision%20doc%20201109%20\(2\).pdf](http://www.ofgem.gov.uk/Networks/ElecDist/Policy/DistChrgs/Documents1/CDCM%20decision%20doc%20201109%20(2).pdf)

We recognise one respondent's concern that other licence modifications may be proposed in similar time scales to those in this decision letter and to a number of the same SLCs. We do note that a CLM will be issued that will, if the licence modifications subject to that CLM are made; modify some of the SLCs proposed to be amended by this CLM at Appendix 2 to this letter. However, we also note that none of the changes proposed in the other CLM would have a direct affect on the changes which are the subject of this letter. We note that consequential changes to paragraph numbering and cross-references in the relevant SLC's may be required if both CLM's are approved.

Next steps

After considering the views of respondents we have today issued a CLM consulting on the proposed changes (see Appendix 2). In accordance with the CLM process, relevant licence holders have 28 days to raise any objections to the proposed changes. Subject to responses to the CLM, we intend to direct the proposed modifications before the end of this year.

Yours faithfully,

Mark Cox
Associate Partner, Industry Codes and Licensing

Appendix 1 - Summary of additional drafting changes proposed by respondents and our views

SLC	Respondent's proposed change	Ofgem view
SLC13.13(c)	<p>(1) Suggest that the carve out included here should be at the start of the licence condition for presentational reasons.</p> <p>(2) Suggest new text as paragraph 13.2A.</p> <p>(3) Suggest the phrase "subject to standard condition 22A.17" should be replaced with something like "unless there is a modification proposal falling under standard condition 22A.17 (Governance and change control arrangements for Relevant Charging Methodologies)".</p>	We consider that the drafting we have proposed is appropriate and identifies which obligations apply to a licensee.
SLC 13A	As covering letter makes clear, Part D of SLC 13A, now proposed to be removed, is now mirrored in DCUSA. Suggestion that in interests of clarity the title of SLC 13A should be changed to "Administration of CDCM".	We consider this proposed modification is unnecessary.
SLC13B	Suggestion that the title should be changed to "Administration of EDCM" for clarity.	We consider that this proposed modification is unnecessary.
SLC22A.2(b)	As the incorporation date for EDCM is defined as 1/4/11, in interests of clarity suggest it should be amended to 1/4/12.	We consider that this suggested amendment is out of the scope of the purpose of our proposed modifications that is to bring the governance of the CDCM and EDCM in line with the conclusions of the CGR.
SLC22A.13 now SLC22A.14	<p>(1) Raise concern that not sure the required change to DCUSA could be arranged in time.</p> <p>(2) Suggest possibly change drafting at 22A.13 to "unless the Authority agrees otherwise".</p>	We have proposed the date the licence modification would come in to effect, if approved, to be 1 April 2011.
SLC 22A.14 now SLC22A.15	Note that SLC 22A.14 includes a cross reference to SLC 22A.18, the requirement for licensees to discuss the development of the methodology. Considers that this requirement is not directly related to the "modification procedures" that are the subject of 22A.18 and therefore this cross reference should be removed.	We note that this is an existing requirement on the licensees which is related to the development of arrangements for handling modifications for the CDCM and EDCM (please see SLC 50.23 to SLC 50.25 and SLC 50.25 to SLC 50.27). We have moved this provision to Section C of SLC 22A to clarify the obligation and to fully reflect existing requirements.

SLC	Respondent's proposed change	Ofgem view
SLC 22A.16 now SLC22A.17	Suggests that SLC 22A.16 is not required given existing position of CDCM and EDCM in DCUSA and requirements of SLC22A.13 - 22A.14.	We consider it is required as the effect of this obligation is to make clear the governance arrangements the Authority requires to be in place.
SLC 22A.16 now SLC22A.17	Considers this to repeat what is in DCUSA so is not needed in licence.	This is a current requirement in Part D of SLC 13A and SLC 50A, Appendix 1 (Part D of SLC 13B) that we have moved to SLC 22A.16. We consider it is required as the effect of this obligation is to make clear the governance arrangements that are required to be in place.
SLC 22A.17 now SLC22A.18	As this is a transitional provision to cover modifications raised before 31 December 2010, suggestion that it would be clearer for users if this paragraph was headed "Transitional Provisions".	We do not consider this is necessary. We consider that the transitional nature of this obligation is clear.
SLC 22A.17 now SLC22A.18	Suggest including an additional paragraph under 22A.17 making clear the transitional provision ceases to have effect after 30 December 2010.	This licence obligation will not cease to have effect immediately when these modifications come into force. SLC22A.17 preserves the validity of a proposal to modify the CDCM that is reported before the proposed licence modifications come into effect, if approved, but where the 28 day period has not expired when the proposed licence modifications come into effect, now proposed to be 1 April 2011.
SLC 22A.17 now SLCC22A.18	Suggestion that the reference to Part D of SLC 13A is incorrect as these obligations have been removed from SLC 13A and included in the modifications proposed to SLC 22A.	We consider that the reference to Part D of SLC 13A is correct as a modification to a charging methodology that is captured by the transitional provision in 22A.17 will have been reported to the Authority under the existing provisions of Part D of SLC 13A. The obligations contained in Part D of SLC 13A are included in SLC 22A, to the extent appropriate, once the proposed modifications come into effect (if approved) on 1 April 2011.
SLC 22A.18 now SLC22A.12	Suggestion that the policy intent behind words "is to" needs to be clarified, i.e. if it's intended that an obligation is imposed then consider that it should say "must".	We have revised the provision to the effect that the licensee, in conjunction with all other distribution services providers, and in consultation with other authorised electricity operators, <i>must</i> develop arrangements that provide for the licensee to meet with other interested parties to discuss the further development of the CDCM and EDCM which is an existing obligation taken from SLC 50.23 to SLC 50.25

SLC	Respondent's proposed change	Ofgem view
		and SLC 50A.25 to 50A.27 as appropriate.
SLC 22A.18 now SLC22A.12	Suggestion that the word "for" needs to be inserted immediately before "the purpose" in the third line of Ofgem's proposed wording in order for the sentence to make sense.	We have corrected this typographical error.

Appendix 2 - CLM

To: All holders of an electricity distribution licence

NOTICE OF PROPOSED MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY DISTRIBUTION LICENCES UNDER SECTION 11A OF THE ELECTRICITY ACT 1989

1. In accordance with paragraphs 11A(3) and (4) of the Electricity Act 1989 ("the Act") the Gas and Electricity Markets Authority (the "Authority") hereby gives notice that it proposes to modify, in the manner as set out in the schedule to this Notice the following standard licence conditions ("SLC"):

- SLC 13 (Charging Methodologies for Use of System and connection);
- SLC 13A (Common Distribution Charging Methodology);
- SLC 22A (Governance and change control arrangements for Relevant Charging Methodologies);
- SLC 50, Appendix 1, SLC 13A (Development and implementation of a Common Distribution Charging Methodology);
- SLC 50A, Appendix 1, SLC 13B (Development and implementation of an EHV Distribution Charging Methodology);

of the electricity distribution licences granted, or treated as granted, under section 6(1)(c) of the Act.

2. In summary, the effect of the proposed licence modifications is to change the Authority decision making mechanism for proposed modifications to the:

- (a) common distribution charging methodology ("CDCM") provided for by SLC 13A of electricity distribution licences and
- (b) EHV distribution charging methodology ("EDCM") provided for by SLC 50A (Appendix 1, SLC 13B) of electricity distribution licences,

so that such modification proposals will not be subject to the 28 day veto process set out in Part D of SLC 13A (for the CDCM) and Part D of Appendix 1 (SLC 13B) of SLC 50A (for the EDCM), by virtue of SLC 22A(14)(a), but would be subject to the DCUSA modification procedure under SLC 22.14(b). We also propose further consequential or related modifications to the electricity distribution licences that have the following effect:

- SLC 13 is proposed to be amended so that the obligations in SLC 13 are not applicable to the CDCM and EDCM to the extent that requirements in SLC 13A and SLC 13B (in Appendix 1 of SLC 50A) apply to the CDCM and EDCM
- amendments to SLC 13A, SLC 50 (Appendix 1, SLC 13A) and SLC 50A (Appendix 1, SLC 13B) reflect that that the governance arrangements for the CDCM and EDCM are in the DCUSA
- amendments to SLC 22A to set out the persons that can raise modification proposals to the CDCM and EDCM which is an existing provision in Part D of SLC 13A (for the CDCM) and Part D of SLC 13B in Appendix 1 of SLC 50A (for the EDCM), to require

that modifications to the EDCM and CDCM must be handled in accordance with Part D of SLC 22A and to the effect that the licensee, in conjunction with all other distribution services providers, and in consultation with other authorised electricity operators, must develop arrangements that provide for the licensee to meet with other interested parties to discuss the further development of the CDCM and EDCM which is an existing obligation taken from SLC 50.23 to SLC 50.25 and SLC 50A.25 to 50A.27 as appropriate

- amend SLC 22A to insert a transitional provision to capture those proposed modifications to the CDCM that are reported to the Authority before the proposed licence modifications set out in the schedule to this Notice come into effect (subject to this consultation), therefore under the current 28 day veto process, but where that 28 veto period has not expired when the licence modifications take effect so that such proposals continue to be determined under the current 28 day veto process.
3. In summary, the reason why the Authority proposes to make these licence modifications is to bring the governance of the CDCM and EDCM in line with the conclusions of the Code Governance Review (“CGR”) published on 31 March 2010. Although most of the governance arrangements required by the CGR have been put in place in the Distribution Connection and Use of System Code (“DCUSA”) through Distribution Change Proposal 46B¹, the changes to the decision making framework are outstanding. The reasons for proposing the consequential or related modifications set out in paragraph 2 of this Notice are to update and reflect that the governance arrangements for the CDCM and EDCM are in the DCUSA and, in the case of the proposed transition provision, to preserve the validity of modification proposals reported to the Authority before these proposed modifications, subject to consultation, come into effect but where the 28 day veto period has not yet expired when they take effect. Detailed reasons for proposing the licence modifications are contained in the following documents:
 - Proposed licence modifications: governance arrangements for electricity distribution use of system charging methodology – Ofgem Ref: 118/10.
 - Code Governance Review: Final Proposals - Ofgem Ref: 43/10.
 4. A copy of the proposed modification and other documents referred to in this Notice are available (free of charge) from the Ofgem library (020 7901 7003) or on the Ofgem website (www.ofgem.gov.uk).
 5. Any representations or objections to the proposed licence modifications must be made on or before 15 December 2010 to:

Roberta Fernie, Office of Gas and Electricity Markets, 107 West Regent Street, Glasgow, G2 2BA or by email to Roberta.fernie@ofgem.gov.uk
 6. Only those licensees who are a “relevant licence holder” under section 11A(10) of the Act may register their formal objection, if any, to a proposed modification, although any person may make representations. A pro-forma that relevant licence holders may wish to use in order to register a statutory objection is appended to this Notice.
 7. All responses will normally be published on Ofgem’s website and held in the Research and Information Centre. However, if respondents do not wish their response (or any part of it) to be made public they should clearly mark their response (or a relevant part of it) not for publication. Ofgem prefers to receive responses in an electronic format so they can be placed easily on the Ofgem website.

¹ <http://www.ofgem.gov.uk/Licensing/ElecCodes/DCUSA/Changes/Documents1/DCP046D.pdf>

8. Subject to the outcome of this statutory consultation and consideration of respondents' views, it is the intention of the Authority to direct the proposed modifications to the standard conditions of the electricity distribution licences to have effect on and from 1 April 2011.
9. If you wish to discuss any aspect of this Notice, please contact Roberta Fernie on the details provided above.

Mark Cox, Associate Partner, Industry Codes and Licensing

Duly authorised on behalf of the Gas and Electricity Markets Authority

17 November 2010

NOTICE OF STATUTORY OBJECTION

Proposed Modification of Standard Conditions 13, 13A, 22A, 50 and 50A of the electricity distribution licence

In response to the statutory notice dated 17 November 2010 in respect of the above proposed modification, this notice constitutes a statutory objection to that proposal on behalf of²

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

Signed³:

Date:

² Please state full name of each relevant licence holder making the objection

³ Please include address for acknowledgment, preferably including an email address

SCHEDULE

PROPOSED MODIFICATION OF THE STANDARD CONDITIONS OF THE ELECTRICITY DISTRIBUTION LICENCES

Standard Conditions 13, 13A, 22A, 50 (Appendix 1) and 50A (Appendix 1) of electricity distribution licences are proposed to be modified in the manner set out in this schedule. The proposed insertions are shown underlined and proposed deletions are shown crossed-through.

Condition 13. Charging Methodologies for Use of System and connection

Requirements for Charging Methodology

13.1 The licensee must at all times have in force:

- (a) a Use of System Charging Methodology which the Authority has approved on the basis that it achieves the Relevant Objectives; and
- (b) a Connection Charging Methodology which the Authority has approved on the basis that it achieves the Relevant Objectives

(each, separately, “the Charging Methodology”),

and, except with the consent of the Authority, must comply with the Charging Methodology as modified from time to time in accordance with this condition.

13.2 The licensee must, for the purpose of ensuring that the Charging Methodology continues to achieve the Relevant Objectives:

- (a) review the methodology at least once every year; and
- (b) subject to paragraph 13.4, make such modifications (if any) of the methodology as are necessary for the purpose of better achieving the Relevant Objectives.

The Relevant Objectives

13.3 The Relevant Objectives in relation to the Charging Methodology are:

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

Procedure for modifications

- 13.4 Unless otherwise directed by the Authority under sub-paragraph (b), before making a modification of the Charging Methodology the licensee must:
- (a) give the Authority a report which sets out:
 - (i) the terms proposed for the modification;
 - (ii) how the modification would better achieve the Relevant Objectives; and
 - (iii) a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect (which must not be a date earlier than the date on which the period referred to in paragraph 13.6 will end); and
 - (b) if the Authority has directed that sub-paragraph (a) should not apply, comply with such other requirements (if any) as the Authority may specify in its direction.
- 13.5 Subject to paragraph 13.6, where the licensee has complied with the requirements of paragraph 13.4 it must, before making the modification:
- (a) revise the relevant statement of the Charging Methodology (or the most recent version of that statement) published in accordance with paragraph 13.13 so that it sets out the changed methodology and specifies the date from which that is to have effect; and
 - (b) give the Authority a copy of the revised statement.
- 13.6 The licensee may not make a modification of the Charging Methodology if, within 28 days of receiving the licensee's report under paragraph 13.4, the Authority has either:
- (a) directed the licensee not to make the modification; or
 - (b) notified the licensee that it intends to consult and then within three months of giving that notification has directed the licensee not to make the modification.
- 13.7 A direction given by the Authority under paragraph 13.6(a) or (b) must include:
- (a) a decision that the licensee's proposed modification would not better achieve the Relevant Objectives; and
 - (b) the Authority's reasons for that decision.

Requirements for reports

- 13.8 The licensee must give or send a copy of any report under paragraph 13.4 or statement under paragraph 13.13 to any person who requests it.
- 13.9 The licensee may make a charge for any report or statement given or sent under paragraph 13.8 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 report or statement.

Approvals process

- 13.10 An approval by the Authority under paragraph 13.1 may only be withheld where the Authority has decided that the Charging Methodology does not achieve the Relevant Objectives and by Notice given to the licensee has set out its reasons for that decision.
- 13.11 Subject to paragraph 13.12, an approval by the Authority under paragraph 13.1 may be granted subject to such conditions as the Authority considers appropriate, having regard, in particular, to:
- (a) the need for any further action to be undertaken by the licensee to ensure that the Charging Methodology would better achieve the Relevant Objectives; and
 - (b) the time by which such action must be completed.
- 13.12 No condition imposed under paragraph 13.11 is effective unless, before granting the relevant approval, the Authority has informed the licensee of its intention to impose the condition in a Notice which:
- (a) sets out the nature and contents of the condition; and
 - (b) specifies a period of at least 28 days within which representations or objections with respect to the condition may be made,
- and has considered any representations or objections duly made by the licensee and not withdrawn.

Publication of Charging Methodology

- 13.13 The licensee must ensure that each Charging Methodology that is in force under this condition is set out in a statement (which must be combined, in the case of the Connection Charging Methodology, with the Connection Charging Statement issued under paragraph 1 of standard condition 14) that is published in such manner as the licensee believes will ensure adequate publicity for it (including on the licensee's Website, if it has one).

Arrangements applying because of other conditions

- 13.14 If the licensee is a Distribution Services Provider:
- (a) standard condition 50 (Development and implementation of a Common Distribution Charging Methodology) applies in relation to certain obligations of the licensee under this condition 13 with effect from 1 July 2009; ~~and~~
 - (b) standard condition 50A (Development and implementation of an EHV Distribution Charging Methodology) applies in relation to certain obligations of the licensee under this condition 13 with effect from 1 October 2009; and
 - ~~(b)(c) subject to standard condition 22A.18, this standard condition 13 does not apply to the extent that standard condition 13A (Common Distribution Charging Methodology) and standard condition 13B (EHV Distribution Charging Methodology) apply.-~~
- 13.15 The Authority may, after consulting all Electricity Distributors, make such consequential modifications of this condition 13 and, so far as is relevant, of standard condition 14 (Charges for Use of System and connection) at such time, in such manner, and to such

extent as may be necessary to ensure that, as from 1 April 2010 or 1 April 2011, as the case may be, those provisions properly reflect the effects of the introduction into this licence of standard condition 13A (Common Distribution Charging Methodology) and standard condition 13B (EHV Distribution Charging Methodology).

- 13.16 Modifications made by the Authority under paragraph 13.15 may make different provision for different categories of Electricity Distributor.

Condition 13A. Common Distribution Charging Methodology

Part A: Licensee's obligations

- 13A.1 This condition applies to the licensee on and after 1 April 2010 if the licensee is a Distribution Services Provider.
- 13A.2 The licensee must take all steps within its power to ensure that the Common Distribution Charging Methodology ('the CDCM') in force under this licence at 1 April 2010 continues to be a Charging Methodology for the determination of the licensee's Use of System Charges that is approved by the Authority on the basis that it achieves the Relevant Objectives set out in Part C below.
- 13A.3 The licensee must at all times implement and comply with the CDCM.
- 13A.4 The licensee must, for the purpose of ensuring that the CDCM continues to achieve the Relevant Objectives:
- (a) review the methodology at least once every year; and
 - (b) subject to Part D of ~~this standard~~ condition 22A, make such modifications (if any) of the methodology as are necessary for the purpose of better achieving the Relevant Objectives.

Part B: Charging boundary

- 13A.5 For the purposes of this condition, Designated Properties are:
- (a) from 1 April 2010 to 31 March 2011, premises or Distribution Systems connected to assets on the licensee's Distribution System at a voltage level of less than 22 kilovolts, but excluding any such premises or Distribution Systems in respect of which the Use of System Charges levied by the licensee are calculated on the same basis as those levied in respect of premises or Distribution Systems connected to assets on the licensee's Distribution System at a voltage level of 22 kilovolts or more; and
 - (b) on and from 1 April 2011, premises or Distribution Systems connected to the licensee's Distribution System at a voltage level of less than 22 kilovolts, but excluding premises or Distribution Systems connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and the Metering Point is located at the same substation.

Part C: The Relevant Objectives of the CDCM

- 13A.6 The Relevant Objectives that the CDCM must achieve are as follows.
- 13A.7 The first Relevant Objective is that compliance with the CDCM facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence.

- 13A.8 The second Relevant Objective is that compliance with the CDCM facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector.
- 13A.9 The third Relevant Objective is that compliance with the CDCM results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the licensee in its Distribution Business.
- 13A.10 The fourth Relevant Objective is that, so far as is consistent with paragraphs 13A.7 to 13A.9, the CDCM, so far as is reasonably practicable, should properly take account of developments in the licensee's Distribution Business.
- 13A.11 For the purposes of this condition, the CDCM achieves the Relevant Objectives if it achieves them in the round, taking one objective with another.

~~Part D: Procedure for modifying the CDCM~~

~~13A.1211 Proposals for modifying the CDCM ('modification proposals') may be raised:~~

~~(a) by any Authorised Electricity Operator; or~~

~~(b) by any other person whose interests are materially affected by the CDCM;~~

~~and must be handled by the licensee in conjunction with all other Distribution Services Providers and in accordance with the relevant modification arrangements.~~

~~13A.1312 The relevant modification arrangements are the modification arrangements approved by the Authority for the purposes of this condition 13A and in force under this licence at 1 April 2010 by virtue of the provisions of standard condition 50 (Development and implementation of a Common Distribution Charging Methodology), as modified from time to time in such manner as is provided for by those arrangements.~~

~~13A.1413 Unless otherwise directed by the Authority under paragraph 13A.1514, before making a modification to the CDCM the licensee must have a report prepared for submission to the Authority that:~~

~~(a) sets out the terms proposed for the modification;~~

~~(b) fairly summarises the representations received during the consultation process on the modification proposal;~~

~~(c) sets out the conclusions reached by the licensee about the modification proposal in question, including whether, in the licensee's opinion, the modification would better achieve the Relevant Objectives; and~~

~~(d) sets out a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect (which must not be a date earlier than the date on which the period referred to in paragraph 13A.1716 will end)~~

~~13A.1514~~ If the Authority has directed that paragraph 13A.1413 should not apply, the licensee must comply with such other requirements (if any) as the Authority may specify in its direction.

~~13A.1615~~ Subject to paragraph 13A.1716, where the licensee has complied with the requirements of paragraph 13A.1413 the licensee must, before making the modification:

(a) — revise the relevant statement of the CDCM (or the most recent version of that statement) published in accordance with paragraph 13A.1817 so that it sets out the changed methodology and specifies the date from which that is to have effect; and

(b) — give the Authority a copy of the revised statement.

~~13A.1716~~ The licensee must make the modification of the CDCM unless, within 28 days of receiving the licensee's report under paragraph 13A.1413, the Authority, having regard to its principal objective and duties under the Act, has either:

(a) — directed the licensee not to make the modification; or

(b) — notified the licensee that it intends to consult and then within three months of giving that notification has directed the licensee not to make the modification.

Part DE: Public availability of the CDCM

13A.128 The licensee must ensure that a copy of the CDCM that is in force under this condition, as from time to time modified, is publicly available on the licensee's Website and is otherwise available to any person who requests it upon payment of an amount not exceeding the reasonable costs of making and supplying that copy.

Part FE: Derogations

13A.193 The Authority may (after consulting the licensee and, where appropriate, any other Authorised Electricity Operator likely to be materially affected) give a direction ('a derogation') to the licensee that relieves it of its obligations under Part A of this condition in respect of such elements of the CDCM, to such extent, for such period of time, and subject to such conditions as may be specified in the direction.

Condition 22A. Governance and change control arrangements for Relevant Charging Methodologies

Part A: Application and purpose

22A.1 This condition;

- (a) has effect on and after 1 October 2009;
- (b) supplements standard condition 22 (Distribution Connection and Use of System Agreement) ('the DCUSA'); and
- (c) applies for the following purposes.

22A.2 The first purpose is to ensure that, with effect from the relevant incorporation date, and subject to paragraph 22A.3 in respect of modification arrangements, each of the following Charging Methodologies of the Distribution Services Providers is incorporated into the DCUSA as if it were one of the matters that is required to be included in the DCUSA by virtue of the provisions of standard condition 22:

- (a) the Common Distribution Charging Methodology ('CDCM') in force under standard condition 13A (Common Distribution Charging Methodology), for which the incorporation date is 1 April 2010; and
- (b) the EHV Distribution Charging Methodology ('EDCM') in force under standard condition 13B (EHV Distribution Charging Methodology), for which the incorporation date is 1 April 2011.

22A.3 The second purpose is to provide:

- (a) for all modification proposals relating to the Charging Methodologies, after their incorporation into the DCUSA, to be subject to a restriction in their purpose and effect in the period of time up to 1 April 2015; and
- (b) for modifications of the Charging Methodologies following incorporation into the DCUSA to be made in each case by reference to the Applicable Charging Methodology Objectives specified in Part B of this condition 22A, rather than the Applicable DCUSA Objectives specified in standard condition 22 that would otherwise apply.

22A.4 A Charging Methodology (whether the CDCM or the EDCM) that is to be or has been incorporated into the DCUSA under this condition is a Relevant Charging Methodology for all the purposes of this condition.

Part B: The Applicable Charging Methodology Objectives

22A.5 The Applicable Charging Methodology Objectives, in relation to any Relevant Charging Methodology, are as follows.

22A.6 The first Applicable Charging Methodology Objective is that compliance with the Relevant Charging Methodology facilitates the discharge by a Distribution Services Provider of the obligations imposed on it under the Act and by this licence.

- 22A.7 The second Applicable Charging Methodology Objective is that compliance with the Relevant Charging Methodology facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in the participation in the operation of an Interconnector.
- 22A.8 The third Applicable Charging Methodology Objective is that compliance with the Relevant Charging Methodology results in charges that, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by a Distribution Services Provider in its Distribution Business.
- 22A.9 The fourth Applicable Charging Methodology Objective is that, so far as is consistent with the first three Applicable Charging Methodology Objectives, the Relevant Charging Methodology, so far as is reasonably practicable, properly takes account of developments in a Distribution Services Provider's Distribution Business.
- 22A.10 A Relevant Charging Methodology achieves the Applicable Charging Methodology Objectives if it achieves them in the round, taking one objective with another, and having due regard to any particular implications for the determination of Use of System Charges under any other Relevant Charging Methodology.

Part C: Licensee's obligations under this condition

22A.11 The licensee must take all appropriate steps within its power to ensure that such modifications of the DCUSA as are required for the purpose of incorporation a Relevant Charging Methodology into the DCUSA are made in sufficient time to ensure that the methodology is incorporated into the DCUSA with full and complete effect from its incorporation date.

22A.12 The licensee, in conjunction with all other Distribution Services Providers, and in consultation with other Authorised Electricity Operators, must develop arrangements that provide for the licensee to meet periodically with other Distribution Services Providers, other Authorised Electricity Operators, and any other persons whose interests are materially affected by a Relevant Charging Methodology for the purpose of discussing the further development of a Relevant Charging Methodology.

Part D: Governance and change control arrangements

22A.1~~32~~ This part applies for the purpose of enabling a Relevant Charging Methodology to be modified under the DCUSA on and after its incorporation date.

22A.1~~34~~ All of the arrangements for which the DCUSA makes provision under standard condition 22 in relation to the governance, administration, and modification of the DCUSA are to apply equally to the Relevant Charging Methodology with effect from its incorporation date, subject to paragraph 22A.1~~54~~.

22A.1~~45~~ Those arrangements must ensure:

- (a) that the requirements set out in paragraph 22A.17 and paragraph 22A.18 and paragraph 22A.18 below of Part C of each of standard conditions 13A and 13B in

relation to the modification procedures applicable to a Relevant Charging Methodology are satisfied;

- (b) that the Authority is able at any time before 1 April 2015 to veto any modification proposal under the DCUSA that appears to the Authority to have its purpose or effect the full or substantial substitution of one Relevant Charging Methodology for another Relevant Charging Methodology; and
- (c) subject to sub-paragraph (b), that every modification proposal raised under the DCUSA in relation to a Relevant Charging Methodology and any modification of the methodology that may arise from such a proposal will be assessed by reference to the Applicable Charging Methodology Objectives specified in the condition 22A, and not the Applicable DCUSA Objectives specified in standard condition 22.

22A.156 Every modification proposal raised under the DCUSA in relation to a Relevant Charging Methodology and any modification of the methodology that may arise from such a proposal must have as its aim the better achievement of the Applicable Charging Methodology Objectives.

22A.167 Proposals for modifying a Relevant Charging Methodology ('a modification proposal') may be raised by:

(a) any Authorised Electricity Operator; or

(b) any other person whose interests are materially affected by the Relevant Charging Methodology,

and must be handled by the licensee in conjunction with all other Distribution Services Providers and in accordance with part D of this condition.

22A.178 Unless the Authority directs otherwise, where a report in respect of any proposal for modification of the CDCM is submitted to the Authority, in accordance with Part D of standard condition 13A (Common Distribution Charging Methodology) in force at 31 March 2011, before 1 April 2011 the licensee must make the modification of the CDCM unless, within 28 days of receiving that report, the Authority, having regard to its principal objective and duties under the Act, has either:

(a) directed the licensee not to make the modification; or

(b) notified the licensee that it intends to consult and then within three months of giving that notification directed the licensee not to make the modification.

Condition 50. Development and implementation of a Common Distribution Charging Methodology

Introduction

- 50.1 This condition applies on and after 1 July 2009 for the following purposes.
- 50.2 The first purpose is to ensure that a Common Distribution Charging Methodology ('the CDCM') is developed and brought into force by the licensee in conjunction with all other Distribution Services Providers on 1 April 2010 ('the Implementation Date') in accordance with the provisions of this condition.
- 50.3 The second purpose is to provide for the introduction into this licence with effect from the Implementation Date of a transparent compliance and change control framework for the CDCM.

Part A: Relief from requirements of standard condition 13

- 50.4 While this condition is in force in this licence, and except where the Authority directs otherwise, such provisions of standard condition 13 (Charging Methodologies for Use of System and connection) as relate to the licensee's duty to review its Use of System Charging Methodology at least once a year, with a view to modifying it for the purpose of better achieving the Relevant Objectives of that condition, do not have effect in relation to such parts of that Use of System Charging Methodology as are to be superseded by the CDCM on 1 April 2010.

Part B: Common Distribution Charging Methodology

- 50.5 The CDCM is a Charging Methodology that:
- (a) applies for the purpose of ensuring that the Use of System Charges levied in respect of Designated Properties (see paragraph 50.10) by Distribution Services Providers are determined on a common basis, so far as is reasonably practicable; and
 - (b) is approved by the Authority, having regard to its principal objective and duties under the Act, on the basis that it achieves the Relevant Objectives set out below.
- 50.6 The first Relevant Objective is that compliance with the CDCM facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence.
- 50.7 The second Relevant Objective is that compliance with the CDCM facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector.
- 50.8 The third Relevant Objective is that compliance with the CDCM results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the licensee in its Distribution Business.

- 50.9 The fourth Relevant Objective is that, so far as is consistent with paragraphs 50.6 to 50.8, the CDCM, so far as is reasonably practicable, properly takes account of developments in the licensee's Distribution Business.
- 50.10 For the purposes of this condition, Designated Properties are:
- (a) before 1 April 2011, premises or Distribution Systems connected to assets on the licensee's Distribution System at a voltage level of less than 22 kilovolts, but excluding any such premises or Distribution Systems in respect of which the Use of System Charges levied by the licensee are calculated on the same basis as those levied in respect of premises or Distribution Systems connected to assets on the licensee's Distribution System at a voltage level of 22 kilovolts or more; and
 - (b) on and from 1 April 2011, premises or Distribution Systems connected to the licensee's Distribution System at a voltage level of less than 22 kilovolts, but excluding premises or Distribution Systems connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and the Metering Point is located at the same substation.

Part C: Developing a Common Distribution Charging Methodology

- 50.11 The licensee must develop the CDCM in compliance with the following requirements.
- 50.12 The first requirement is that the CDCM must be developed by the licensee in conjunction with every other Distribution Services Provider.
- 50.13 The second requirement is that the CDCM must be able to be given effect by the licensee by not later than the Implementation Date.
- 50.14 The third requirement is that the CDCM must conform to such requirements as have been specified by the Authority for the purposes of this condition in a decision given on 1 October 2008, as subsequently clarified and amended by the Authority on 20 March 2009, with respect to the fundamental principles and assumptions on which the development of the CDCM is to be based.
- 50.15 The fourth requirement is that the CDCM must be submitted by not later than 1 September 2009 for approval by the Authority.
- 50.16 The fifth requirement is that a full set of illustrative Use of System Charges for the Regulatory Year 2009/10 which would have resulted from the licensee's compliance with the CDCM if it had been in force under this licence at 1 April 2009 must be submitted to the Authority by not later than 1 September 2009.
- 50.17 The sixth requirement is that during the development of the CDCM and before submitting it to the Authority in accordance with the fourth requirement, the licensee must have taken all reasonable steps (including, where appropriate, approaching the Authority to discuss how the licensee proposes to address any unforeseen charging implications of the CDCM) to ensure that the CDCM in the form in which it is being developed will be capable of being approved by the Authority in accordance with the requirements of Part B of this condition.

Part D: Approving a Common Distribution Charging Methodology

50.18 Where the Authority, having regard to its principal objective and duties under the Act, is satisfied with the CDCM developed in accordance with the provisions of Part B and Part C of this condition, it may approve the CDCM in a direction given for the purposes of this condition generally that:

- (a) sets out the Authority's reasons for approving it; and
- (b) specifies the date (being not later than 31 December 2009 unless otherwise directed by the Authority) on which it proposes that the approval should have effect.

50.19 Subject to paragraph 50.20, an approval by the Authority under paragraph 50.18 may be granted subject to such conditions as the Authority considers appropriate, having regard, in particular, to:

- (a) the need for any further action to be undertaken by the licensee to ensure that the CDCM would better achieve the Relevant Objectives; and
- (b) the time by which such action must be completed.

50.20 No condition imposed under paragraph 50.19 is effective unless, before granting the relevant approval, the Authority has informed the licensee of its intention to impose the condition in a Notice which:

- (a) sets out the nature and contents of the condition; and
- (b) specifies a period of at least 28 days within which representations or objections with respect to the condition may be made,

and has considered any representations or objections that are duly made by the licensee and not withdrawn.

50.21 Except that the Authority may not bring forward the dates specified in Parts D, E, F, G and Appendix 1 of this condition, the Authority may direct that such deadlines as are specified in those Parts or that Appendix may be amended as the Authority considers necessary for the purpose of meeting its wider public law duties or having regard to its principal objective and duties under the Act.

Part E: Implementing a Common Distribution Charging Methodology

50.22 Where the Authority has approved the CDCM under Part D of this condition, the licensee must, with effect from the Implementation Date:

- (a) revoke such parts of its Use of System Charging Methodology used for the calculation of Use of System Charges levied in respect of Designated Properties as are contained within that methodology in the form in which it is in force under standard condition 13 at 31 March 2010; and
- (b) implement the CDCM in the form in which it has been approved by the Authority.

Part F: Arrangements for handling modification proposals

- 50.23 The licensee, in conjunction with all other Distribution Services Providers, and in consultation with other Authorised Electricity Operators, must develop arrangements for handling modification proposals in relation to the CDCM ('modification arrangements') and submit them for approval to the Authority by not later than 1 September 2009.
- 50.24 The modification arrangements must include provision for the following core features.
- 50.25 The first core feature is that the arrangements must provide for the licensee to meet periodically with other Distribution Services Providers, other Authorised Electricity Operators, and any other persons whose interests are materially affected by the CDCM for the purpose of discussing the further development of the CDCM.
- 50.26 The second core feature is that the arrangements must provide for a timely and efficient process by which the licensee can:
- (a) formally receive modification proposals from any Authorised Electricity Operator or any other person whose interests are materially affected by the CDCM;
 - (b) consult on the merits of those proposals with other Distribution Services Providers, other Authorised Electricity Operators, and any other persons whose interests are materially affected by the CDCM; and
 - (c) evaluate those proposals in the light of that consultation.
- 50.27 The third core feature is that the arrangements must provide for the licensee to have a report on any modification proposal prepared in a timely and efficient manner for submission to the Authority that:
- (a) sets out the terms proposed for the modification;
 - (b) fairly summarises the representations received during the consultation process under paragraph 50.26;
 - (c) sets out the conclusions reached by the licensee and other Distribution Services Providers about the modification proposal in question, including whether, in their opinion, the modification would better achieve the Relevant Objectives; and
 - (d) sets out a timetable for implementing the modification, if it were to be made, and the date with effect from which the modification (if made) would take effect.
- 50.28 The fourth core feature is that the arrangements must provide for the review and future modification (where appropriate) of the modification arrangements.

Part G: Approval of arrangements for handling modifications

- 50.29 Where the Authority, having regard to its principal objective and duties under the Act, is satisfied that the modification arrangements submitted under paragraph 50.23 comply with the features set out in paragraphs 50.25 to 50.28, it may approve those arrangements as the modification arrangements approved by the Authority for the

purposes of standard condition 13A (Common Distribution Charging Methodology) in a direction given for the purposes of this condition 50 generally that:

- (a) describes (or provides for access to a description of) the nature of the modification arrangements;
- (b) sets out the Authority's reasons for approving the arrangements; and
- (c) specifies the date on which it proposes that the approval should have effect.

50.30 Subject to paragraph 50.31, an approval by the Authority under paragraph 50.29 may be granted subject to such conditions as the Authority considers appropriate, having regard, in particular, to:

- (a) the need for any further action to be undertaken by the licensee to ensure that the modification arrangements would better meet the features set out in paragraphs 50.25 to 50.28 of this condition; and
- (b) the time by which such action must be completed.

50.31 No condition imposed under paragraph 50.30 is effective unless, before granting the relevant approval, the Authority has informed the licensee of its intention to impose the condition in a Notice which:

- (a) sets out the nature and contents of the condition; and
- (b) specifies a period of at least 28 days within which representations or objections with respect to the condition may be made,

and has considered any representations or objections that are duly made by the licensee and not withdrawn.

Part H: Compliance and change control framework

50.32 Where the Authority has approved the CDCM under Part D of this condition, this Part H applies on the Implementation Date for the purpose of modifying the standard conditions of this licence with effect from that date in accordance with paragraph 50.33 below.

50.33 The modification referred to in paragraph 50.32 is that standard condition 13A in the form set out at Appendix 1 (which is part of this condition 50) comes into force in this licence on the Implementation Date.

Part I: Interpretation and termination

50.34 For the purposes of this condition, the CDCM achieves the Relevant Objectives if it achieves them in the round, taking one objective with another.

50.35 Unless and to the extent otherwise directed by the Authority, this condition is of no further effect in this licence after the Implementation Date.

Part J: Derogations

- 50.36 The Authority may (after consulting the licensee and, where appropriate, any other Authorised Electricity Operator likely to be materially affected) give a direction ('a derogation') to the licensee that relieves it of its obligations under Part C of this condition in respect of such elements of the CDCM, to such extent, for such period of time, and subject to such conditions as may be specified in the direction.
- 50.37 Appendix 1 follows immediately below.

APPENDIX 1

Condition 13A. Common Distribution Charging Methodology

Part A: Licensee's obligations

- 13A.1 This condition applies to the licensee on and after 1 April 2010 if the licensee is a Distribution Services Provider.
- 13A.2 The licensee must take all steps within its power to ensure that the Common Distribution Charging Methodology ('the CDCM') in force under this licence at 1 April 2010 continues to be a Charging Methodology for the determination of the licensee's Use of System Charges that is approved by the Authority on the basis that it achieves the Relevant Objectives set out in Part C below.
- 13A.3 The licensee must at all times implement and comply with the CDCM.
- 13A.4 The licensee must, for the purpose of ensuring that the CDCM continues to achieve the Relevant Objectives:
- (a) review the methodology at least once every year; and
 - (b) subject to Part D of ~~standard this~~ condition 22A, make such modifications (if any) of the methodology as are necessary for the purpose of better achieving the Relevant Objectives.

Part B: Charging boundary

- 13A.5 For the purposes of this condition, Designated Properties are:
- (a) from 1 April 2010 to 31 March 2011, premises or Distribution Systems connected to assets on the licensee's Distribution System at a voltage level of less than 22 kilovolts, but excluding any such premises or Distribution Systems in respect of which the Use of System Charges levied by the licensee are calculated on the same basis as those levied in respect of premises or Distribution Systems connected to assets on the licensee's Distribution System at a voltage level of 22 kilovolts or more; and
 - (b) on and from 1 April 2011, premises or Distribution Systems connected to the licensee's Distribution System at a voltage level of less than 22 kilovolts, but excluding premises or Distribution Systems connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and the Metering Point is located at the same substation.

Part C: The Relevant Objectives of the CDCM

- 13A.6 The Relevant Objectives that the CDCM must achieve are as follows.
- 13A.7 The first Relevant Objective is that compliance with the CDCM facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence.

- 13A.8 The second Relevant Objective is that compliance with the CDCM facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector.
- 13A.9 The third Relevant Objective is that compliance with the CDCM results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the licensee in its Distribution Business.
- 13A.10 The fourth Relevant Objective is that, so far as is consistent with paragraphs 13A.7 to 13A.9, the CDCM, so far as is reasonably practicable, should properly take account of developments in the licensee's Distribution Business.
- 13A.11 For the purposes of this condition, the CDCM achieves the Relevant Objectives if it achieves them in the round, taking one objective with another.

Part D: Procedure for modifying the CDCM

~~13A.1211 Proposals for modifying the CDCM ('modification proposals') may be raised:~~

- ~~(a) by any Authorised Electricity Operator; or~~
 - ~~(b) by any other person whose interests are materially affected by the CDCM,~~
- ~~and must be handled by the licensee in conjunction with all other Distribution Services Providers and in accordance with the relevant modification arrangements.~~

~~13A.1312 The relevant modification arrangements are the modification arrangements approved by the Authority for the purposes of this condition 13A and in force under this licence at 1 April 2010 by virtue of the provisions of standard condition 50 (Development and implementation of a Common Distribution Charging Methodology), as modified from time to time in such manner as is provided for by those arrangements.~~

~~13A.1413 Unless otherwise directed by the Authority under paragraph 13A.1514, before making a modification to the CDCM the licensee must have a report prepared for submission to the Authority that:~~

- ~~(a) sets out the terms proposed for the modification;~~
- ~~(b) fairly summarises the representations received during the consultation process on the modification proposal;~~
- ~~(c) sets out the conclusions reached by the licensee about the modification proposal in question, including whether, in the licensee's opinion, the modification would better achieve the Relevant Objectives; and~~
- ~~(d) sets out a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect (which must not be a date earlier than the date on which the period referred to in paragraph 13A.1716 will end).~~

~~13A.1514~~ If the Authority has directed that paragraph 13A.1413 should not apply, the licensee must comply with such other requirements (if any) as the Authority may specify in its direction.

~~13A.1615~~ Subject to paragraph 13A.1716, where the licensee has complied with the requirements of paragraph 13A.1413 the licensee must, before making the modification:

(a) ~~revise the relevant statement of the CDCM (or the most recent version of that statement) published in accordance with paragraph 13A.1817 so that it sets out the changed methodology and specifies the date from which that is to have effect; and~~

(b) ~~give the Authority a copy of the revised statement.~~

~~13A.1716~~ The licensee must make the modification of the CDCM unless, within 28 days of receiving the licensee's report under paragraph 13A.1413, the Authority, having regard to its principal objective and duties under the Act, has either:

(a) ~~directed the licensee not to make the modification; or~~

(b) ~~notified the licensee that it intends to consult and then within three months of giving that notification has directed the licensee not to make the modification.~~

Part ED: Public availability of the CDCM

13A.182 The licensee must ensure that a copy of the CDCM that is in force under this condition, as from time to time modified, is publicly available on the licensee's Website and is otherwise available to any person who requests it upon payment of an amount not exceeding the reasonable costs of making and supplying that copy.

Part EF: Derogations

13A.193 The Authority may (after consulting the licensee and, where appropriate, any other Authorised Electricity Operator likely to be materially affected) give a direction ('a derogation') to the licensee that relieves it of its obligations under Part A of this condition in respect of such elements of the CDCM, to such extent, for such period of time, and subject to such conditions as may be specified in the direction.

Condition 50A. Development and implementation of an EHV Distribution Charging Methodology

Introduction

- 50A.1 This condition applies on and after 1 October 2009 for the following purposes.
- 50A.2 The first purpose is to ensure that an EHV Distribution Charging Methodology ('the EDCM') that conforms to one of the descriptions set out at paragraph 50A.12 is developed and brought into force by the licensee in conjunction with every Associated Licensee (see paragraph 50A.4) on 1 April 2011 ('the Implementation Date') in accordance with the provisions of this condition.
- 50A.3 The second purpose is to provide for the introduction into this licence with effect from the Implementation Date of a transparent compliance and change control framework for the EDCM.
- 50A.4 For the purposes of this condition, an Associated Licensee, in relation to the licensee, is a Distribution Services Provider that has chosen to develop and bring into force an EDCM that is of the same description, within the meaning of paragraph 50A.12, as the licensee's EDCM.

Part A: Relief from requirements of standard condition 13

- 50A.5 While this condition is in force in this licence, and except where the Authority directs otherwise, such provisions of standard condition 13 (Charging Methodologies for Use of System and connection) as relate to the licensee's duty to review its Use of System Charging Methodology at least once a year, with a view to modifying it for the purpose of better achieving the Relevant Objectives of that condition, do not have effect in relation to such parts of that Use of System Charging Methodology as are to be superseded by the EDCM on 1 April 2011.

Part B: Licensee's EHV Distribution Charging Methodology

- 50A.6 The licensee's EDCM is a Charging Methodology that:
- (a) applies for the purpose of ensuring that the Use of System Charges levied by the licensee in respect of Designated EHV Properties (see paragraph 50A.11) are determined by the licensee and every Associated Licensee on a common basis, so far as is reasonably practicable; and
 - (b) is approved by the Authority, having regard to its principal objective and duties under the Act, on the basis that it achieves the Relevant Objectives set out below.
- 50A.7 The first Relevant Objective is that compliance with the EDCM facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence.
- 50A.8 The second Relevant Objective is that compliance with the EDCM facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector.

- 50A.9 The third Relevant Objective is that compliance with the EDCM results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the licensee in its Distribution Business.
- 50A.10 The fourth Relevant Objective is that, so far as is consistent with the first three Relevant Objectives, the EDCM, so far as is reasonably practicable, properly takes account of developments in the licensee's Distribution Business.
- 50A.11 For the purposes of this condition, Designated EHV Properties are any of the following:
- (a) Distribution Systems connected to the licensee's Distribution System at 22 kilovolts or more;
 - (b) premises connected to the licensee's Distribution System at 22 kilovolts or more;
 - (c) Distribution Systems connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and where the Metering Point is located at the same substation; and
 - (d) premises connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and where the Metering Point is located at the same substation.

Part C: Developing an EHV Distribution Charging Methodology

- 50A.12 The licensee must choose and develop an EDCM that conforms to such principles and assumptions as have been specified by the Authority for the purposes of this condition under one of the following two descriptions:
- (a) the methodology described as the long run incremental cost methodology, as detailed in a decision of the Authority dated 31 July 2009; or
 - (b) the methodology described as the forward cost pricing methodology, as detailed in a decision of the Authority dated 31 July 2009.
- 50A.13 If the Authority considers it necessary for the purposes of this condition to materially vary any of the principles and assumptions referred to in paragraph 50A.12, it may do so at any time before the Implementation Date in a direction given to the relevant Associated Licensees following consultation with them.
- 50A.14 The licensee must develop its chosen EDCM in compliance with the following requirements.
- 50A.15 The first requirement is that the EDCM must be developed by the licensee in conjunction with every Associated Licensee.
- 50A.16 The second requirement is that the EDCM must be able to be given effect by the licensee by not later than the Implementation Date.

- 50A.17 The third requirement is that the EDCM must be submitted by not later than 1 September 2010 for approval by the Authority.
- 50A.18 The fourth requirement is that a full set of illustrative Use of System Charges for the Regulatory Year 2010/11 which would have resulted from the licensee's compliance with the EDCM if it had been in force under this licence at 1 April 2010 must be submitted to the Authority by not later than 1 September 2010.
- 50A.19 The fifth requirement is that during the development of the EDCM and before submitting it to the Authority in accordance with the third requirement, the licensee must have taken all reasonable steps (including, where appropriate, approaching the Authority to discuss how the licensee proposes to address any unforeseen charging implications of the EDCM) to ensure that the EDCM in the form in which it is being developed will be capable of being approved by the Authority in accordance with the requirements of Part B of this condition.

Part D: Approving an EHV Distribution Charging Methodology

- 50A.20 Where the Authority, having regard to its principal objective and duties under the Act, is satisfied with the EDCM developed in accordance with the provisions of Parts B and C of this condition, it may approve the EDCM in a direction given for the purposes of this condition generally that:
- (a) sets out the Authority's reasons for approving it; and
 - (b) specifies the date (which must not be later than 31 December 2010 unless otherwise directed by the Authority) on which it proposes that the approval should have effect.
- 50A.21 Subject to paragraph 50A.22, approval by the Authority under paragraph 50A.20 may be granted subject to such conditions as the Authority considers appropriate, having regard, in particular, to:
- (a) the need for any further action to be undertaken by the licensee to ensure that the EDCM would better achieve the Relevant Objectives; and
 - (b) the time by which such action must be completed.
- 50A.22 No condition imposed under paragraph 50A.21 is effective unless, before granting the relevant approval, the Authority has informed the licensee of its intention to impose the condition in a Notice which:
- (a) sets out the nature and contents of the condition; and
 - (b) specifies a period of at least 28 days within which representations or objections with respect to the condition may be made,
- and has considered any representations or objections that are duly made by the licensee and not withdrawn.
- 50A.23 Except that the Authority may not bring forward the dates specified in Parts D, E, F, G and Appendix 1 of this condition, the Authority may direct that such deadlines as are specified or referred to in those Parts or that Appendix may be

amended as the Authority considers necessary for the purpose of meeting its wider public law duties or having regard to its principal objective and duties under the Act.

Part E: Implementing an EHV Distribution Charging Methodology

- 50A.24 Where the Authority has approved the EDCM under Part D of this condition, the licensee must, with effect from the Implementation Date:
- (a) revoke such parts of its Use of System Charging Methodology used for the calculation of Use of System Charges levied in respect of Designated EHV Properties as are contained within that methodology in the form in which it is in force under standard condition 13 at 31 March 2011; and
 - (b) implement the EDCM in the form in which it has been approved by the Authority.

Part F: Arrangements for handling modification proposals

- 50A.25 The licensee, in conjunction with all other Distribution Services Providers, and in consultation with other Authorised Electricity Operators, must develop arrangements for handling modification proposals in relation to the EDCM ('modification arrangements') and submit them for approval to the Authority by not later than 1 September 2010.
- 50A.26 The modification arrangements must include provision for the following core features.
- 50A.27 The first core feature is that the arrangements must provide for the licensee to meet periodically with other Distribution Services Providers, other Authorised Electricity Operators, and any other persons whose interests are materially affected by the EDCM for the purpose of discussing the further development of the EDCM.
- 50A.28 The second core feature is that the arrangements must provide for a timely and efficient process by which the licensee can:
- (a) formally receive modification proposals from any Authorised Electricity Operator or any other person whose interests are materially affected by the EDCM;
 - (b) consult on the merits of those proposals with other Distribution Services Providers, other Authorised Electricity Operators, and any other persons whose interests are materially affected by the EDCM; and
 - (c) evaluate those proposals in the light of that consultation.
- 50A.29 The third core feature is that the arrangements must provide for the licensee to have a report on any modification proposal prepared in a timely and efficient manner for submission to the Authority that:
- (a) sets out the terms proposed for the modification;
 - (b) fairly summarises the representations received during the consultation process under paragraph 50A.28;

- (c) sets out the conclusions reached by the licensee and other Distribution Services Providers about the modification proposal in question, including whether, in their opinion, the modification would better achieve the Relevant Objectives; and
- (d) sets out a timetable for implementing the modification, if it were to be made, and the date from which the modification (if made) would take effect.

50A.30 The fourth core feature is that the arrangements must provide for the review and future modification (where appropriate) of the modification arrangements.

Part G: Approval of arrangements for handling modifications

50A.31 Where the Authority, having regard to its principal objective and duties under the Act, is satisfied that the modification arrangements submitted under paragraph 50A.25 comply with the features set out in paragraphs 50A.27 to 50A.30, it may approve those arrangements as the modification arrangements approved by the Authority for the purposes of standard condition 13B (EHV Distribution Charging Methodology) in a direction given for the purposes of this condition 50A generally that:

- (a) describes (or provides for access to a description of) the nature of the modification arrangements;
- (b) sets out the Authority’s reasons for approving the arrangements; and
- (c) specifies the date on which it proposes that the approval should have effect.

50A.32 Subject to paragraph 50A.33, approval by the Authority under paragraph 50A.31 may be granted subject to such conditions as the Authority considers appropriate, having regard, in particular, to:

- (a) the need for any further action to be undertaken by the licensee to ensure that the modification arrangements would better meet the features set out in paragraphs 50A.27 to 50A.30 of this condition; and
- (b) the time by which such action must be completed.

50A.33 No condition imposed under paragraph 50A.32 is effective unless, before granting the relevant approval, the Authority has informed the licensee of its intention to impose the condition in a Notice which:

- (a) sets out the nature and contents of the condition; and
- (b) specifies a period of at least 28 days within which representations or objections with respect to the condition may be made,

and has considered any representations or objections that are duly made by the licensee and not withdrawn.

Part H: Compliance and change control framework

50A.34 Where the Authority has approved the EDCM under Part D of this condition, this Part H applies on the Implementation Date for the purpose of modifying the

standard conditions of this licence with effect from that date in accordance with paragraph 50A.35 below.

50A.35 The modification referred to in paragraph 50A.34 is that standard condition 13B in the form set out at Appendix 1 (which is part of this condition 50A) comes into force in this licence on the Implementation Date.

Part I: Interpretation and termination

50A.36 For the purposes of this condition, the EDCM achieves the Relevant Objectives if it achieves them in the round, taking one objective with another.

50A.37 Unless and to the extent otherwise directed by the Authority, this condition is of no further effect in this licence after the Implementation Date.

Part J: Derogations

50A.38 The Authority may (after consulting the licensee and, where appropriate, any other Authorised Electricity Operator likely to be materially affected) give a direction ('a derogation') to the licensee that relieves it of its obligations under Part C of this condition in respect of such elements of the EDCM, to such extent, for such period of time, and subject to such conditions as may be specified in the direction.

50A.39 Appendix 1 follows immediately below.

APPENDIX 1

Condition 13B. EHV Distribution Charging Methodology

Part A: Licensee's obligations

- 13B.1 This condition applies to the licensee on and after 1 April 2011 if the licensee is a Distribution Services Provider.
- 13B.2 The licensee must take all steps within its power to ensure that the EHV Distribution Charging Methodology ('the EDCM') continues to be a Charging Methodology for the determination of the licensee's Use of System Charges that is approved by the Authority on the basis that it achieves the Relevant Objectives set out in Part C below.
- 13B.3 In this condition, references to the EDCM are references to the methodology that was developed and brought into force by the licensee on 1 April 2011 in conjunction with every Associated Licensee within the meaning of paragraph 4 of standard condition 50A (Development and implementation of an EHV Distribution Charging Methodology).
- 13B.4 The licensee must at all times implement and comply with the EDCM.
- 13B.5 The licensee must, for the purpose of ensuring that the EDCM continues to achieve the Relevant Objectives:
- (a) review the methodology at least once every year; and
 - (b) subject to Part D of [this standard](#) condition [22A](#), make such modifications (if any) of the methodology as are necessary for the purpose of better achieving the Relevant Objectives.

Part B: Charging boundary

- 13B.6 For the purposes of this condition, Designated EHV Properties are any of the following:
- (a) Distribution Systems connected to the licensee's Distribution System at 22 kilovolts or more;
 - (b) premises connected to the licensee's Distribution System at 22 kilovolts or more;
 - (c) Distribution Systems connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and where the Metering Point is located at the same substation; and
 - (d) premises connected directly to substation assets that form part of the licensee's Distribution System at 1 kilovolt or more and 22 kilovolts or less where the primary voltage of the substation is 22 kilovolts or more and where the Metering Point is located at the same substation.

Part C: The Relevant Objectives of the EDCM

- 13B.7 The Relevant Objectives that the EDCM must achieve are as follows.

- 13B.8 The first Relevant Objective is that compliance with the EDCM facilitates the discharge by the licensee of the obligations imposed on it under the Act and by this licence.
- 13B.9 The second Relevant Objective is that compliance with the EDCM facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector.
- 13B.10 The third Relevant Objective is that compliance with the EDCM results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the licensee in its Distribution Business.
- 13B.11 The fourth Relevant Objective is that, so far as is consistent with the first three Relevant Objectives, the EDCM, so far as is reasonably practicable, should properly take account of developments in the licensee's Distribution Business.
- 13B.12 For the purposes of this condition, the EDCM achieves the Relevant Objectives if it achieves them in the round, taking one objective with another.

Part D: Procedure for modifying the EDCM

~~13B.1312 Proposals for modifying the EDCM ('modification proposals') may be raised by:~~

- ~~(a) any Authorised Electricity Operator; or~~
- ~~(b) any other person whose interests are materially affected by the EDCM.~~

~~13B.1413 Modification proposals must be handled by the licensee in conjunction with all other Distribution Services Providers and in accordance with the relevant modification arrangements.~~

~~13B.1514 The relevant modification arrangements are the arrangements approved by the Authority for the purposes of this condition 13B and in force under this licence at 1 April 2011 by virtue of the provisions of standard condition 50A (Development and implementation of an EHV Distribution Charging Methodology), as modified from time to time in such manner as is provided for by those arrangements.~~

~~13B.1615 Unless otherwise directed by the Authority under paragraph 13B.1716, before making a modification to the EDCM the licensee must have a report prepared for submission to the Authority that:~~

- ~~(a) sets out the terms proposed for the modification;~~
- ~~(b) fairly summarises the representations received during the consultation process on the modification proposal;~~
- ~~(c) sets out the conclusions reached by the licensee about the modification proposal in question, including whether, in the licensee's opinion, the modification would better achieve the Relevant Objectives; and~~
- ~~(d) sets out a timetable for implementing the modification and the date with effect from which the modification (if made) is to take effect (which~~

~~must not be a date earlier than the date on which the whole of the period covered by paragraph 13B.1918 will end).~~

~~13B.1716 If the Authority has directed that paragraph 13B.1615 should not apply, the licensee must comply with such other requirements (if any) as the Authority may specify in its direction.~~

~~13B.1817 Subject to paragraph 13B.1719, where the licensee has complied with the requirements of paragraph 13B.1615 the licensee must, before making the modification:~~

~~(a) — revise the relevant statement of its EDCM (or the most recent version of that statement) published in accordance with paragraph 13B.2019 so that it sets out the changed methodology and specifies the date from which that is to have effect; and~~

~~(b) — give the Authority a copy of the revised statement.~~

~~13B.1918 The licensee must make the modification of the EDCM unless, within 28 days of receiving the licensee's report under paragraph 13B.1615, the Authority, having regard to its principal objective and duties under the Act, has either:~~

~~(a) — directed the licensee not to make the modification; or~~

~~(b) — notified the licensee that it intends to consult, and then within three months of giving that notification directed the licensee not to make the modification.~~

Part DE: Public availability of the EDCM

13B.1320 The licensee must ensure that a copy of its EDCM that is in force under this condition, as from time to time modified, is publicly available on the licensee's Website and is otherwise available to any person who requests it upon payment of an amount that does not exceed the reasonable costs of making and supplying that copy.

Part EF: Derogations

13B.1424 The Authority may (after consulting the licensee and, where appropriate, any other Authorised Electricity Operator likely to be materially affected) give a direction ('a derogation') to the licensee that relieves it of its obligations under Part A of this condition in respect of such elements of the EDCM, to such extent, for such period of time, and subject to such conditions as may be specified in the direction.