

To Company Secretary Distribution Network Operators

Promoting choice and value for all gas and electricity customers

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Date: 19 September 2011

Dear Company Secretary,

Direction issued pursuant to Condition 46A of the Standard Conditions of the Electricity Distribution Licence

Condition 46A of the Standard Conditions of the Electricity Distribution Licence came into force on 1 April 2010. Condition 46A.2 requires electricity distribution network operators (DNOs), if so directed by the Authority, to prepare and submit to the Authority a "Business Carbon Footprint (BCF) Report" for any given Regulatory Year.

Please find attached such a Direction issued under Standard Condition 46A.2 of the Electricity Distribution Licence. The Direction requires you to submit a business carbon footprint report (covering the approved reporting year for each DNO as set out in the appendix to the Direction) to the Authority by 23 September 2011, and thereafter by 31 July each year for subsequent reporting years or as otherwise directed.

Your attention is also drawn to all of the other sections of Condition 46A, including 46A.11 which refers to you publishing your BCF Report and make it available on request.

In preparing your BCF report, you are required to comply with the Business Carbon Footprint Regulatory Instructions and Guidance (Business Carbon Footprint RIGs) contained in the Electricity Distribution Price Control RIGs issued by the Authority¹. For the purposes of this Direction the BCF Report comprises Worksheet V12 of the Cost Reporting workbook and the associated commentary. You may wish to present the same information in a different format when making it publicly available.

http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=582&refer=Networks/ElecDist/PriceCntrls/DPCR 5

This letter explains the background and sets out the Authority's reasons for the making of this Direction. This letter constitutes the notice by the Authority under section 49A Electricity Act 1989 in relation to the Direction.

For more information regarding this Direction you should contact Lesley Ferrando (<u>lesley.ferrando@ofgem.gov.uk</u>) or Neil Copeland (<u>Neil.Copeland@ofgem.gov.uk</u>).

Yours faithfully,

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Rachel Fletcher Acting Senior Partner Distribution and Governance