



Industry participants, customers
and other interested parties

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

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Date: 20 November 2012

Dear Colleague

Consultation on further proposed licence changes following the implementation of the Third Package and other miscellaneous changes

Background

The Third Package¹ was implemented in Great Britain on 10 November 2011 by making amendments to relevant domestic legislation. The changes were given effect by the Electricity and Gas (Internal Markets) Regulations 2011² ("the Regulations"). As a result of the Regulations coming into force, a number of changes were made to the gas and electricity licences.³

This open letter consults on further consequential licence changes that we have identified as relevant to the implementation of the Third Package, as well as some miscellaneous changes of a housekeeping nature which are unrelated to the Regulations. These are proposed amendments to Standard Conditions C5 and C6 of the electricity transmission licence to remove provisions which are now defunct as a result of our Code Governance Review ("CGR") Final Proposals.⁴

We have set out a summary of the proposed licence changes in Appendix 1 of this letter and illustrative drafting to accompany the proposed changes in Appendix 2.

Next Steps

We would welcome your views on the proposed modifications to the licence conditions set out in the appendices to this letter by **15 January 2013**.

¹ The term 'Third Package' refers to Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC ('Electricity Directive'); Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 ('Electricity Regulation'); Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC ('Gas Directive'); Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 ('Gas Regulation'); and Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.

² SI 2011/2704 which can be found here: <http://www.legislation.gov.uk/ukxi/2011/2704/part/1/made>.

³ Changes were made to the electricity transmission, distribution, supply and interconnector licences, and to the gas transporters, supply and interconnector licences. Changes to the standard special conditions of gas transporters licences were made by the Gas Transporter (Modification of Licence Conditions) Regulations 2011 (SI 2011/2803): <http://www.legislation.gov.uk/ukxi/2011/2803/contents/made>.

⁴ Ofgem's CGR Final Proposals appear here:

http://www.ofgem.gov.uk/Licensing/IndCodes/CGR/Documents1/CGR_Finalproposals_310310.pdf

Please email your response to licensing@ofgem.gov.uk or post it to our address which appears at the foot of this letter.

Unless marked confidential, all responses will be published on our website at www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

Following the conclusion of this consultation, we will publish a letter that outlines the responses that we received and sets out our views on any issues raised by respondents.

If appropriate, we will issue, along with that letter, a statutory licence modification consultation on any modifications to the licences that we consider may be required.⁵

If you wish to discuss our proposals, please contact Abid Sheikh (abid.sheikh@ofgem.gov.uk) in the first instance.

Yours faithfully,

Lesley Nugent
Head of Industry Codes and Licensing

⁵ We are separately consulting on a number of other proposed licence changes, for example those being considered under RII0-T1, and those identified in our consultation under phase 2 of our Code Governance Review. For the avoidance of doubt, where the same licence conditions are affected across more than one consultation, we will take this into account if we decide to proceed to a statutory consultation.

Appendix 1 – Overview of the proposed licence changes

Our proposed drafting is set out in Appendix 2. This table summarises and explains the proposed changes. For ease of reference, changes relating to the Regulations are in **blue** and changes relating to Standard Conditions C5 and C6 of the electricity transmission licence are in **red**.

Licence Condition	Purpose of the current condition	Overview of proposed change
Electricity Transmission Licence Standard Condition B12 (3)	Sets out the System Operator – Transmission Owner Code (STC) code objectives against which STC amendments should be assessed.	The addition of a code objective requiring STC amendments to be assessed for compliance with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency. Aligns Standard Condition B12 with the equivalent conditions for other industry codes, for example, Standard Condition C3(3)(e) for the Balancing and Settlement Code (BSC).
Electricity Transmission Licence Standard Condition B12 (6)(a) (c), (d) and (e)	Sets out the procedures for making STC amendments.	<p>The addition of the Authority to those who may raise STC amendment proposals (but only in relation to STC amendment proposals which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency).</p> <p>The addition of the licensee to those who may raise STC amendment proposals where directed to do so by the Authority and the amendment is necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency.</p> <p>The addition of an amendment requiring the licensee and the Committee to comply with any direction/s issued by the Authority setting and or</p>

		<p>amending a timetable (in relation to an amendment proposal which the Authority reasonably considers is necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency.</p> <p>The addition of an amendment requiring amendment proposals which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency to be accepted into the STC amendment procedures by the Committee; where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and to proceed in accordance with any timetable(s) directed by the Authority.</p> <p>Aligns Standard Condition B12 with the equivalent conditions for the other industry codes, for example, Standard Condition C3 (4)(a), (aa), (ad) and (ae) for the BSC.</p>
Electricity Transmission Licence Standard Condition B18 (7)	Refers to modifications of licence conditions pursuant to Section 11 of the Electricity Act 1989.	The Removal of any references to section 11 and section 12 of the Electricity Act 1989 as they have both been repealed by the Regulations and instead substitute with section 11A to section 11F.
Electricity Transmission Licence Standard Condition C3 (4)(ad)	Sets out the modification procedures for the BSC.	Clarifies that only those modification proposals which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission

		and/or the Agency cannot be withdrawn without the Authority's prior consent.
Electricity Transmission Licence Standard Condition C5 (2), (2A), (4), (6) and (7)	Sets out the modifications process for use of system charging methodology changes that applied during a transitional phase prior to the inclusion of the use of system charging methodology in the Connection and Use of System Code (CUSC).	<p>The removal of a cross-reference to paragraph 2A in paragraph 2 and the replacement of existing paragraphs 2A, 4 (which cross-refers to paragraph 3 which was removed as part of the Code Governance Review (CGR) Final Proposals), and the removal of paragraphs 4, 6 and 7 with the words 'Not used'.</p> <p>Housekeeping change to remove defunct provisions in this licence condition. Changes to the use of system charging methodology follow the process set out in the CUSC and Standard Condition C10 of the electricity transmission licence.</p>
Electricity Transmission Licence Standard Condition C5 (5)	Sets out the relevant objectives of the transmission use of system charging methodology.	The addition of an EU related relevant objective against which changes to the use of system charging methodology will be assessed.
Electricity Transmission Licence Standard Condition C6	Sets out the requirement on the licensee to determine a connection charging methodology, the modifications process for connection charging methodology that applied during a transitional phase prior to the inclusion of the connection charging methodology in the CUSC.	<p>Renumbering of all paragraphs in the licence condition.</p> <p>The removal of a cross-reference to paragraphs 15A and 15B in existing paragraphs 2(b) and 4 and the replacement of existing paragraphs 15A and 15B with the words 'Not used'.</p> <p>Housekeeping change to remove defunct provisions in this licence condition.</p> <p>Changes to the connection charging methodology follow the process set out in the CUSC and Standard Condition C10 of the electricity transmission licence.</p>
Electricity Transmission Licence Standard Condition C10 (6) (ae)	Sets out the modification procedures for the CUSC.	Clarifies that only those modification proposals which the Authority reasonably

		considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency cannot be withdrawn without the Authority's prior consent.
Electricity Transmission Licence Standard Condition E21 (7)	Refers to modifications of licence conditions pursuant to Section 11 of the Electricity Act 1989.	The removal of any references to section 11 and section 12 of the Electricity Act 1989 as these have both been repealed by the Regulations and have instead been substituted with section 11A to section 11F of the Act.
Electricity Distribution Licence Standard Condition 1.3	Sets out the definitions in the standard conditions of the licence.	The addition of a definition for "Agency for the Cooperation of Energy Regulators" which is referred to in various distribution licence conditions.
Electricity Distribution Licence Standard Condition 22.5 (e)	Sets out the principles for making an amendment to the DCUSA.	Clarifies that only those modification proposals which the Authority considers are reasonably necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators cannot be withdrawn without the Authority's prior consent.
Electricity Distribution Licence Standard Condition 23.5 (b)	Sets out the arrangements for making variations to the Master Registration Agreement (MRA).	Clarifies that only those variation proposals which the Authority considers are reasonably necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators cannot be withdrawn without the Authority's prior consent.
Gas Transporter Licence Standard Licence Condition 9 (7) (j)	Sets out the procedures for the modification of the Uniform Network Code (UNC) and/or of any network code prepared by or on	Substitutes reference to paragraphs 8(a)(i) and 9(a)(i) with 8(a) and 9(a). Clarifies that only those modification proposals which

	behalf of each relevant gas transporter.	the Authority considers are reasonably necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators cannot be withdrawn without the Authority's prior consent.
Gas Transporter Licence Standard Special Licence Condition A11(9)(i)	Sets out the procedures for the modification of the UNC and/or of any network code prepared by or on behalf of each relevant gas transporter.	Substitutes reference to paragraphs 9(j) and 10(a)(i) or (v), 10(ab) and 11(a) with 10(a) 10(ab) and 11(a). Clarifies that only those modification proposals which the Authority considers are reasonably necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators cannot be withdrawn without the Authority's prior consent.
Gas Supply Licence Standard Condition 30.6 ⁶	Sets out the Supply Point Administration Agreement (SPAA) relevant objectives which the SPAA agreement is designed to facilitate.	The addition of a new SPAA relevant objective, namely, compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators. Aligns Condition 30 with the equivalent conditions in other industry codes, for example, Standard Condition C3 (3)(e) of the Electricity Transmission licence for the BSC.
Gas Supply Licence Standard Condition 30.8	New paragraph setting out the principles for making modifications to the SPAA.	Clarifies that only those modification proposals made by the licensee that the Authority considers are reasonably necessary to comply with or implement the Regulation and/or any relevant legally binding

⁶ In our recent consultation on our CGR2 proposals, we propose that Gas Supply Licence Standard Condition 30 is migrated to Section A of the Gas Supply Licence (new Standard Condition 6A). If we proceed with this change and also our proposed changes to Standard Condition 30 in this consultation, we intend to make the appropriate changes to new Standard Condition 6A.

		decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators cannot be withdrawn without the Authority's prior consent.
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Appendix 2 – Proposed drafting for licence changes

The proposed amendments to the current drafting are tracked for ease of reference (*additions are underlined, deletions are struck through*).

Electricity Transmission Licence Standard Condition B12 (3)

3. The objectives of the STC referred to in sub-paragraph 1(b) are the:

- (a) efficient discharge of the obligations imposed upon transmission licensees by transmission licences and the Act;
- (b) development, maintenance and operation of an efficient, economical and co-ordinated system of electricity transmission;
- (c) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity;
- (d) protection of the security and quality of supply and safe operation of the national electricity transmission system insofar as it relates to interactions between transmission licensees;
- (e) promotion of good industry practice and efficiency in the implementation and administration of the arrangements described in the STC;
- (f) facilitation of access to the national electricity transmission system for generation not yet connected to the national electricity transmission system or distribution system; and
- (g) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

Electricity Transmission Licence Standard Condition B12 (6)(a), (c) (d) and (e)

- 6. The STC shall include procedures for its own amendment (including procedures for the amendment of the amendment procedures themselves), so as better to facilitate achievement of the applicable STC objectives, which procedures shall provide:
 - (a) for proposals for amendment of the STC to be made by any of the STC parties, the Authority (in relation only to amendments which it reasonably considers are

necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency), the licensee or such other persons or bodies as the STC may provide;

(aa) for amendment proposals made by the Authority or the licensee under 6(a) and 6(ab)(i) respectively which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency:

- (i) to be accepted into the STC amendment procedures by the Committee;
- (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
- (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 6(ab);

(ab) for compliance by the licensee and (where applicable) the Committee with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation only to amendments which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency) for:

- (i) the licensee to raise an amendment proposal(s); and/or
- (ii) the completion of each of the procedural steps outlined in paragraph 6, to the extent that they are relevant; and/or
- (iii) the implementation of an amendment.

(c) for the timetable (referred to in sub-paragraph (b)(vi)) for implementation of any amendment to be either:

- (i) in accordance with any direction(s) issued by the Authority under paragraph 6(ab); or
- (ii) where no direction has been issued by the Authority under paragraph 6(ab), such as will enable the amendment to take effect as soon as practicable after the Authority has directed such amendment to be made, account being taken of the complexity, importance and urgency of the amendment, and for that timetable to be extended with the consent of or as required by the Authority after those persons likely to be affected by the revision of the timetable have been consulted; and

- (d) for the completion of each of the procedural steps outlined in this paragraph 6, to the extent that they are relevant, to be in accordance with any timetable(s) directed by the Authority under paragraph 6(ab); and
- (e) for separate processes for the amendment of STC procedures and the schedule listing the STC procedures in force from time to time and which otherwise forms a part of the STC to those for the amendment of other parts of the STC set out in sub-paragraphs (a) to (ed) above and paragraph 7.

Electricity Transmission Licence Standard Condition B18 (7)

7. A Section E (offshore transmission owner of last resort) Direction shall not take effect unless the Authority has formally proposed modifications to the special conditions of this licence, pursuant to section 11A of the Act, that will prescribe the rights and obligations of the licensee with respect to the relevant transmission assets, including the annual revenue that the licensee is able to earn for providing transmission services through the relevant transmission assets in an economic and efficient manner, and:

- (a) that the modifications are made by the Authority in accordance with section 11A ~~to section 11F of the Act, with the consent of the licensee; or~~
- ~~(b) that the modifications are made by the Authority in the form originally proposed by the Authority following a reference to the Competition Commission under section 12 of the Act on the proposed modification of the conditions; or~~
- ~~(c) that the modifications are made by the Authority in such modified form as the Competition Commission may specify following a reference to the Competition Commission under section 12 of the Act on the proposed modification of the conditions.~~

Electricity Transmission Licence Condition C3 (4) (ad)

- (ad) for modification proposals made by the Authority and the licensee in accordance with paragraphs 4(a), 4(aa) and 4(ae)(i) respectively which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency:
- (i) to be accepted into the BSC modification procedures by the panel;
- (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
- (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 4(ae);

Electricity Transmission Licence Standard Condition C5 (2), (2A), (4), (6) and (7)

2. The licensee shall, subject to ~~paragraph 2A~~ and standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC, make such modifications of the use of system charging methodology as may be requisite for the purpose of better achieving the relevant objectives.

~~2A. Unless the Authority directs otherwise, paragraphs 4, 5, 6 and 7 of this condition apply where a report in respect of any proposal for modification of the use of system charging methodology is furnished to the Authority in accordance with paragraph 4 of this condition as in force at 30 December 2010 before 31 December 2010. Not used.~~

~~4. The licensee will not make any modification to the use of system charging methodology if, within 28 days of the report being furnished to it under paragraph 3 of this condition as in force at 30 December 2010 (for the avoidance of doubt, including any report furnished on 10 June 2009), the Authority has either:~~

~~(a) directed the licensee that the modification shall not be made; or~~

~~(b) notified the licensee that it intends to undertake an impact assessment and then, within three months of giving that notification, has directed the licensee not to make the modification. Not used.~~

~~6. The licensee shall send a copy of any report furnished under paragraph 3 of this condition as in force at 30 December 2010 to the Authority to any person who asks for any such report. Not used.~~

~~7. The licensee may make a charge for any report sent pursuant to paragraph 6 of an amount reflecting the licensee's reasonable costs of providing such report which costs shall not exceed the maximum amount specified in directions issued by the Authority for the purposes of this condition. Not used.~~

Electricity Transmission Licence Standard Condition C5 (5)

5. In paragraphs 1 and 2 "the relevant objectives" shall mean the following objectives:

- (a) that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;
- (b) that compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection); ~~and~~

(c) that, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses; and-

(d) compliance with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.

Electricity Transmission Licence Standard Condition C6

~~21~~. The licensee shall:

(a) as soon as practicable after the date this condition comes into effect determine a connection charging methodology approved by the Authority; and

(b) conform to the connection charging methodology as modified in accordance with ~~paragraph 15A and 15B of this condition~~ and standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC.

~~32~~. The licensee shall, for the purpose of ensuring that the connection charging methodology achieves the relevant objectives, keep the connection charging methodology at all times under review.

~~43~~. The licensee shall, subject to ~~15A and 15B of this condition~~ and standard condition C10 (Connection and Use of System Code (CUSC)) and in accordance with the relevant provisions of the CUSC, make such modifications to the connection charging methodology as may be requisite for the purpose of better achieving the relevant objectives.

~~54~~. The licensee shall as soon as practicable after the date this condition comes into effect prepare a statement approved by the Authority of the connection charging methodology in relation to charges, including charges:

(a) for the carrying out of works and the provision and installation of electrical lines or electrical plant or meters for the purposes of connection (at entry or exit points) to the national electricity transmission system;

(b) in respect of extension or reinforcement of the national electricity transmission system rendered (at the discretion of a transmission licensee where the extension or reinforcement is of that licensee's transmission system) necessary or appropriate by virtue of the licensee providing connection to or use of system to any person seeking connection;

(c) in circumstances where the electrical lines or electrical plant to be installed are (at the discretion of a transmission licensee where the electrical lines or electrical plant which are to be installed will form part of that licensee's transmission system) of greater size than that required for use of system by the person seeking connection;

(d) for maintenance and repair (including any capitalised charge) required of electrical lines or electrical plant or meters provided or installed for making a connection to the national electricity transmission system; and

(e) for disconnection from the national electricity transmission system and the removal of electrical plant, electrical lines and meters following disconnection,

and the statement referred to in this paragraph shall be in such form and in such detail as shall be necessary to enable any person to determine that the charges to which he would become liable for the provision of such services are in accordance with such statement.

~~65~~. An approval by the Authority pursuant to paragraph 1(a) and 4 may be granted subject to such conditions relating to further action to be undertaken by the licensee in relation to the connection charging methodology better meeting the relevant objectives as identified in any initial consultation by the Authority as the Authority deems appropriate. Such conditions may include (but are not limited to) elements relating to the time by which actions under this condition need to be completed.

~~76~~. Nothing in this condition shall affect the ability of the licensee to charge according to the statement issued pursuant to paragraph 4.

~~87~~. Unless otherwise determined by the Authority, the licensee shall only enter into a bilateral agreement or a construction agreement which secures that the connection charges will conform with the statement of the connection charging methodology last furnished under paragraphs 4 or 10 either:

- (a) before it enters into the arrangements; or
- (b) before the charges in question from time to time fall to be made.

~~98~~. The connection charging methodology shall make provision for connection charges for those items referred to in paragraph 4 to be set at a level for connections made after 30 March 1990 which will enable the licensee to recover:

(a) the appropriate proportion of the costs directly or indirectly incurred in carrying out any works, the extension or reinforcement of the national electricity transmission system or the provision and installation, maintenance and repair or (as the case may be) removal following disconnection of any electric lines, electric plant or meters; and

(b) a reasonable rate of return on the capital represented by such costs,

and for connections made before 30 March 1990 to the licensee's transmission system, the connection charging methodology for those items referred to in paragraph 4 shall as far as is reasonably practicable reflect the principles of sub-paragraphs (a) and (b).

~~109~~. Not used.

~~110~~. (a) [Not used].

(b) Where changes to the connection charging methodology, are made in accordance with standard condition C10 (CUSC) and the relevant provisions of the CUSC the licensee shall furnish the Authority with a revised statement showing the changed connection charging methodology and such revised statement of the connection charging methodology shall supersede previous statements of the connection charging methodology furnished under paragraph 4 or this paragraph 10 from the date specified therein.

~~111~~. In paragraphs 2 and 3 "the relevant objectives" shall mean:

(a) the objectives referred to in paragraph 5 of standard condition C5 (Use of system charging methodology), as if references therein to the use of system charging methodology were to the connection charging methodology; and

(b) in addition, the objective, in so far as consistent with sub-paragraph (a), of facilitating competition in the carrying out of works for connection to the national electricity transmission system.

~~13~~12. A statement furnished under paragraphs 4 or 10 shall, where practicable, include examples of the connection charges likely to be made in different cases as determined in accordance with the methods and principles shown in the statement.

~~14~~13. The licensee shall send a copy of any statement or revision of a statement or report furnished under paragraphs 4 or 10 to any person who asks for any such statement or revision thereof or report.

~~15~~14. The licensee may make a charge for any statement or revision of a statement or report, furnished or sent pursuant to paragraph 13 of an amount reflecting the licensee's reasonable costs of providing such which costs shall not exceed the maximum amount specified in directions issued by the Authority for the purposes of this condition.

~~16~~15. Nothing in this condition shall impact on the application of special conditions AA5A to AA5E (Revenue restriction provisions).

~~15A Unless the Authority directs otherwise, paragraph 15B of this condition shall apply where a report in respect of any proposal for modification of the connection charging methodology is furnished to the Authority in accordance with paragraph 9 of this condition as in force at 30 December 2010 before 31 December 2010. Not used.~~

~~15B (a) The licensee will not make any modification to the connection charging methodology if, within 28 days of the report being furnished to it under in accordance with paragraph 9 of this condition as in force at 30 December 2010, the Authority has either:~~

- ~~(i) directed the licensee that the modification shall not be made;~~
- ~~(ii) notified the licensee that it intends to undertake an impact assessment and then, within three months of giving that notification, has directed the licensee not to make the modification.~~

~~(b) Where the licensee makes a modification to the connection charging methodology, it shall furnish the Authority with a revised statement showing the changed connection charging methodology and such revised statement of the connection charging methodology shall supersede previous statements of the connection charging methodology furnished under paragraph 4 or this paragraph 15B from the date specified therein. Not used.~~

Electricity Transmission Licence Standard Condition C10 (6) (ae)

(ae) for modification proposals made by the Authority or the licensee in accordance with paragraphs 6(a), 6(aa) and 6(af)(i) respectively which the Authority reasonably considers are necessary to comply with or implement the Electricity Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency:

- (i) to be accepted into the CUSC modification procedures by the panel;
- (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and

- (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 6(af);

Electricity Transmission Licence Standard Condition E21 (7)

7. A Section E (offshore transmission owner of last resort) Direction shall not take effect unless the Authority has formally proposed modifications to the special conditions of this licence, pursuant to section 11A of the Act, that will prescribe the rights and obligations of the licensee with respect to the relevant transmission assets, including the annual revenue that the licensee is able to earn for providing transmission services through the relevant transmission assets in an economic and efficient manner, and:

- (i) that the modifications are made by the Authority in accordance with section ~~11A to section 11F~~ of the Act. ~~with the consent of the licensee; or~~
- ~~(ii) that the modifications are made by the Authority in the form originally proposed by the Authority following a reference to the Competition Commission under section 12 of the Act on the proposed modification of the conditions; or~~
- ~~(iii) that the modifications are made by the Authority in such modified form as the Competition Commission may specify following a reference to the Competition Commission under section 12 of the Act on the proposed modification of the conditions.~~

Electricity Distribution Licence Standard Condition 1.3

Addition of the following definition:

Agency for the Cooperation of Energy Regulators means the agency of that name established under Regulation 2009/713/EC of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.

Electricity Distribution Licence Standard Condition 22.5(e)

- (e) amendment proposals made by the Authority or the licensee in accordance with paragraphs 22.5(a) and 22.5(f)(i) respectively which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators are:

- (i) to be accepted into the DCUSA amendment procedures by the panel;
- (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
- (iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 22.5(f); and

Electricity Distribution Licence Standard Condition 23.5 (b)

23.5 The arrangements referred to in paragraph 23.3(d) shall provide:

- (a) for proposals for the variation of the Master Registration Agreement to be made by the Authority (in relation only to variations which it reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators);
- (b) for variation proposals made by the Authority or the licensee in accordance with paragraphs 23.5(a) and 23.5(c)(i) respectively which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators:
 - (i) to be accepted into the Master Registration Agreement variation procedures by the committee;
 - (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
 - (iii) to proceed in accordance with paragraph 23.5(c);

Gas Transporter Licence Standard Condition 9(7)(j)

j. modification proposals made by the Authority or the licensee in accordance with paragraphs 8(a)(i) and 9(a)(i) which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators:

- (i) to be accepted into the network code modification procedures by the panel;

(ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent;

(iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 7(k);

Gas Transporter Licence Standard Special Condition A11(9)(i)

(i) modification proposals made by the Authority or the licensee in accordance with paragraphs ~~9(j), 10(a)(i) or (v),~~ 10(ab) and 11(a) which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators):

(i) to be accepted into the network code modification procedures by the panel;

(ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent;

(iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 9(j);

Gas Supplier Licence Standard Condition 30.6

30.6 The relevant objectives referred to in sub-paragraph 30.5(a) are:

(a) the development, maintenance and operation of an efficient, coordinated and economical change of supplier process;

(b) the furtherance of effective competition between Gas Suppliers and between relevant agents;

(c) the promotion of efficiency in the implementation and administration of the supply point administration arrangements; ~~and~~

(d) so far as is consistent with sub-paragraphs (a), (b) and (c), the efficient discharge of the licensee's obligations under this licence; ~~and~~

(e) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

Gas Supplier Licence Standard Condition 30.8

30.8 The arrangements referred to in paragraph 30.7(a) shall provide:

(a) for proposals for the modification of the SPAA to be made by the licensee or the Authority (in relation only to modifications which it reasonably considers are necessary to comply with, or implement, binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators);

(b) for modification proposals made by the Authority and the licensee in accordance with paragraphs 30.8(a) and 30.8(c)(i) respectively which the Authority reasonably considers are necessary to comply with, or implement, binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators:

- (i) to be accepted into the SPAA modification procedures by the panel;
- (ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent; and
- (iii) to proceed in accordance with paragraph 30.8(c);

(c) for compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable (in relation to a modification proposal which the Authority reasonably considers is necessary to comply with, or implement, binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators) for:

- (i) the licensee to raise a modification proposal(s); and/or
- (ii) the completion of each of the procedural steps outlined in the direction, to the extent that they are relevant; and/or
- (iii) the implementation of a modification.