

To: Holders of an Electricity Transmission Licence

NOTICE UNDER SECTION 11A(2) OF THE ELECTRICITY ACT 1989

The Gas and Electricity Markets Authority (the Authority) hereby gives Notice pursuant to section 11A(2) of the Electricity Act 1989 (the Act) as follows:

1. The Authority proposes to modify all electricity transmission licences granted or treated as granted under section 61(b) of the Act by amending Standard Licence Condition B23 (Data assurance requirements).
2. The reason the Authority proposes to make this licence modification is to enable it to require licensees to report, for data assurance purposes, on an annual cycle that commences on the 1 March in each year and ends on the 28 February (or 29 February in a leap year) in the following year.
3. The effect of the proposed modification is to amend the permitted scope of the "Data Assurance Guidance" (to be issued pursuant to Standard Licence Condition B23) so that it may specify the time period(s) to which required reports relate.
4. The full text of the modified condition with proposed changes shown can be found in Annex A.
5. Other documents referred to in this Notice have been published alongside this Notice and are available on the Ofgem website (www.ofgem.gov.uk).
6. Any representations with respect to the proposed licence modification must be made on or before 21 January 2015 to: Neill Guha, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to DAG@ofgem.gov.uk.
7. All responses will normally be published on Ofgem's website. However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website.
8. If the Authority decides to make the proposed modification it will take effect not less than 56 days after the decision is published.

.....
**Paul Branston, Duly authorised on behalf of the
Gas and Electricity Markets Authority**

17 December 2014

Annex A: Proposed Modifications to Condition B23. Data assurance requirements

Introduction

1. This condition requires the licensee to undertake processes and activities for the purpose of reducing the risk, and subsequent impact and consequences, of any inaccurate or incomplete reporting, or any misreporting, of information to the Authority.
2. This condition comes into effect in this licence on the earlier of:
 - (a) the date on which a data assurance direction in accordance with the provisions of Part B below has effect; and
 - (b) 1 April 2015.

Part A: Licensee's obligations under this condition

3. The licensee must:
 - (a) comply with the provisions of the Data Assurance Guidance ("the DAG"), being a document that will be incorporated into this licence condition by way of licence modification, the scope and contents of which are set out in Part C of this condition, as if it were a condition of this licence;
 - (b) subject to paragraph 4, where required to provide data under the provisions of this licence, provide accurate and complete data;
 - (c) carry out a risk assessment in accordance with such provisions and timescales as are specified for that purpose in the DAG, and ensure that it has used its best endeavours to mitigate such risks as it has identified in that assessment;
 - (d) if directed by the Authority, procure an independent review of its data assurance activities in accordance with such provisions and timescales as are specified for that purpose in the DAG; and
 - (e) provide to the Authority, in accordance with such provisions and timescales as are specified for that purpose in the DAG, reports that variously contain:

- (i) the results of the licensee's risk assessment;
- ~~(ii) a description of the data assurance activities that the licensee intends to undertake concerning data expected future data submissions for the coming financial year to mitigate the risks identified relevant reporting period set out in that assessment the DAG;~~
- ~~(ii)~~
- (iii) a description of the data assurance activities undertaken by the licensee concerning data previously submitted data for the preceding financial year relevant reporting period set out in the DAG; and
- (iv) if required, the details and results of the independent review procured by the licensee of its data assurance activities.

- 4. Data provided to the level of accuracy and reliability required under the relevant licence condition will be considered to be accurate and complete for the purposes of this condition.
- 5. The licensee must have in place and maintain appropriate systems, processes, and procedures to enable it to perform its obligations under paragraph 3.
- 6. The licensee must comply with any direction given by the Authority that requires it to carry out (or, where appropriate, to procure and facilitate the carrying out of) a specific data assurance activity in accordance with the provisions of Part E.

Part B: Requirement for consultation before giving a direction

- 7. A data assurance direction is of no effect unless, before issuing it, the Authority has first:
 - (f) given notice to all licensees in whose licence this condition has effect that it proposes to issue the direction:
 - (i) specifying the date on which it proposes that it should have effect;

- (ii) setting out the text of the direction and the Authority's reasons for proposing to issue it;
- (iii) specifying the time (which must not be a period of less than 28 days from the date of the notice) within which representations or objections with respect to the proposal may be made; and

(g) considered any representations or objections in response to the notice that are duly made and not withdrawn.

Part C: Scope and contents of the Data Assurance Guidance

8. The DAG may from time to time be revised by the Authority under Part D of this condition.

9. The purpose of the DAG is to establish a process under which the licensee must comply with its obligations as set out in paragraph 3(b) to (e).

10. Subject to paragraphs 12 and 13, the DAG may include, or make provision for, any of the following matters:

(a) the data to which the risk assessment applies;

(b) the format of the risk assessment;

(c) the frequency with which and the timescales within which the risk assessment is required to be carried out;

(d) the format of any independent review that may be required of the licensee's data assurance activities and the associated reporting requirements;

(e) the format of the reporting requirements detailed in paragraph 3(e);
~~and~~

(f) the frequency with which and the timescales within which the licensee should report on its data assurance activities to the Authority; ~~and~~

(g) the time period(s) to which required reports relate.

11. Reference in paragraph 10 to the format of an assessment, review, or reporting requirement includes references to its form, layout, scope and content.
12. The provisions of the DAG must not exceed what is required to achieve the purposes of this condition, having regard to the materiality of the costs likely to be incurred by the licensee in complying with those provisions and the impact on consumers of data reporting errors.
13. No information to be provided to the Authority under or pursuant to the requirements of the DAG may exceed what could be requested from the licensee by the Authority pursuant to Standard Condition B4 (Provision of information to the Authority).

Part D: Modification of Data Assurance Guidance

14. The DAG may be modified by the Authority from time to time by direction.
15. A direction issued by the Authority under paragraph 14 is of no effect unless the Authority has first:
 - (a) given notice to all licensees in whose licence this condition has effect that it proposes to modify the DAG:
 - (iv) specifying the date on which it proposes that the provisions of the document to be issued or modified should take effect;
 - (v) setting out the text of the DAG to be modified and the Authority's reasons for proposing to modify it;
 - (vi) specifying the time (which must not be less than a period of 28 days from the date of the notice) within which representations concerning such proposals may be made; and
 - (b) considered any representations in response to the notice that are duly made and not withdrawn.

Part E: Authority's power to specify data assurance activity

16. The Authority may, after consulting with the licensee, issue a direction, in accordance with the provisions of paragraph 17, requiring the licensee to

carry out (or, where appropriate, to procure and facilitate the carrying out of) such data assurance activity as may be specified in the direction.

17. The requirements for the direction under paragraph 16 are that it must:

- (a) contain a description of the data assurance activity to be carried out by the licensee (or, where appropriate, by a person nominated by the Authority) for the purpose of ensuring the accuracy and completeness of data provided to the Authority;
- (b) if it refers to a person nominated by the Authority, specify the steps that must be taken by the licensee to procure and facilitate the carrying out of that activity by that person;
- (c) contain a description of the data to which the activity that is described in the direction must apply;
- (d) contain an explanation of why the Authority requires the licensee to carry out that activity;
- (e) specify any relevant dates by which that activity must be completed; and
- (f) specify the form and content of any information relating to that activity that the licensee must provide to the Authority.

Part F: Derogations

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

Part G: Interpretation

19. For the purposes of this condition:

data	means the relevant submissions to the Authority under this licence in respect of which the licensee must carry out a risk assessment, as specified in the DAG;
-------------	--

data assurance activity	means, in respect of data, the activity undertaken by the licensee (or a person nominated by the Authority, as the case may be) to address the risks identified in the risk assessment;
data assurance direction	means a direction by the Authority to bring into effect this condition; and
risk assessment	means an assessment of the likelihood and potential impact of any inaccurate or incomplete reporting, or any misreporting, of data by the licensee to the Authority under this licence.