

**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;
- (b) the EHV Distribution Charging Methodology ('EDCM') for Import Charges in force under standard condition 13B (EHV Distribution Charging Methodology), for which the incorporation date is 1 April 2012;
- (c) the EDCM for Export Charges in force under standard condition 13B (EHV Distribution Charging Methodology), for which the incorporation date is 1 April 2013; and
- (d) the Common Connection Charging Methodology ('CCCM'), in force under standard condition 13 (Charging Methodologies for Use of System and Connection) for which the incorporation date is 1 October 2012 (unless otherwise advised by the Authority).

22A.3 The second purpose is to provide:

- (a) for all modification proposals relating to the Charging Methodologies, (other than the CCCM) 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, the EDCM or the CCCM) 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 The fifth Applicable Charging Methodology Objective is that compliance with the Relevant Charging Methodology facilitates 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.
- 22A.10A The sixth Applicable Charging Methodology Objective is that compliance with the Relevant Charging Methodology promotes efficiency in its own implementation and administration.
- 22A.11 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 or Connection Charges under any other Relevant Charging Methodology.

Part C: Licensee's obligations under this condition

- 22A.12 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 incorporating 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.13 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.14 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.15 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.16.
- 22A.16 Those arrangements must ensure:
- (a) that the requirements in paragraph 22A.18 and paragraph 22A.19 in relation to the modification procedures applicable to a Relevant Charging Methodology are satisfied;
  - (b) that, for the CDCM and the EDCM, 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.17 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.18 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.19 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.