

Notice under Section 11A(3) of the Electricity Act 1989

The Gas and Electricity Markets Authority ('the Authority') hereby gives notice pursuant to Section 11A(3) of the Electricity Act 1989 ('the Act') as follows:

1. The Authority proposes to modify all of the distribution licences that are granted, or treated as granted, pursuant to Section 6(1)(c) of the Act, in two respects detailed below –

- a. By amending standard condition 1, Definitions and Interpretation by introducing two new definitions
- b. By substituting for standard conditions 4, 4A, 4B, and 4C the following new standard conditions
 - i. Standard condition 4 Charges for Use of System
 - ii. Standard condition 4A Use of System Charging Methodology
 - iii. Standard condition 4B Connection Charging Methodology
 - iv. Standard condition 4C Non-discrimination in the Provision of Use of System and Connection to the System
 - v. Standard condition 4D Requirement to Offer Terms for Use of System and Connection
 - vi. Standard condition 4E Functions of the Authority;

2. In summary, the reasons for the Authority proposing the modifications are to comply with EC Directive 2003/54/EC concerning common rules for the internal market in electricity and repealing Directive 96/92/EC, and to introduce proposed changes to the structure of charges as outlined in the November initial decision document¹. Further detail is provided in a document published by the Authority on 6 April 2004 entitled "Structure of electricity distribution charges: update document and proposed licence modifications". A copy of the document is available (free of charge) from the Ofgem library, 9 Millbank, London SW1P 3GE (020 7901 7003) or the Ofgem website (www.ofgem.gov.uk).

¹Structure of electricity distribution charges – initial decision document November 2003, reference 142/03

3. The effect of these proposed modifications will be to implement changes in the charging regime for connection to, and use of, the electricity distribution networks. The revised charging regime will facilitate the predicted increase in distributed generation, provide a robust and predictable long term charging framework for all network operators and users, and enable compliance with the above EC Directive. Further detail on the effect of the modifications is given in the "Structure of electricity distribution charges: update and proposed licence modifications" document.

4. The proposed licence modifications are annexed to this notice.

5. Any representations or objections to the proposed licence modifications may be made by 7 May 2004 and should be addressed to Mark Cox, 9 Millbank, London SW1P 3GE (020 7901 7458) or mark.cox@ofgem.gov.uk.



Martin Crouch

Director – Distribution, Networks

Authorised on behalf of the Authority

6 April 2004

Annex

TO NOTICE UNDER SECTION 11A ELECTRICITY ACT

Amendments to existing provisions of the distribution licence

Condition 1. Definitions and Interpretation

[All definitions within the above amended standard condition 1 remain the same save the following amendments]

“connection charging methodology” means the principles upon which, and the methods by which, for the purposes of better achieving the objectives referred to in paragraph 18 of standard condition 4B (Connection Charging Methodology), connection charges are determined.

“use of system charging methodology” means the principles upon which, and the methods by which, for the purposes of achieving the objectives referred to in paragraph 5 of standard condition 4A (Use of System Charging Methodology), use of system charges are determined.

Condition 4. Charges for Use of System

1. The licensee shall, by 1 April 2005:
 - (a) determine a use of system charging methodology approved by the Authority;
 - (b) conform to the use of system charging methodology as modified in accordance with standard condition 4A (Use of System Charging Methodology); and
 - (c) prepare a statement of the use of system methodology approved by the Authority of the methods by which and the principles on which the charges (if any) for availability of distribution capacity on the licensee's distribution system will be made.

2. The licensee shall prepare, other than in respect of a charge which the Authority has consented need not so appear, a statement, in a form approved by the Authority, setting out the basis upon which charges will be made for use of system; and in such form and in such detail to enable any person to make a reasonable estimate of the charges to which he would become liable for the provision of such services. From 1 April 2005, this statement shall be prepared in accordance with the use of system charging methodology. Without prejudice to paragraph 6 of this condition or paragraph 3 of standard condition 4A (Use of System Charging Methodology), if any change is made in the use of system charges to be so made other than in relation to charges to be made in respect of the use of system charging methodology, the licensee shall, before the changes take effect, furnish the Authority with a revision of the statement of use of system charges (or if the Authority so accepts, with amendments to the previous such statement) and/or (as the case may be) with a revision of the statement of the use of system charging methodology, which reflect the changes.

3. The statement referred to at paragraph 2 shall include:
 - (a) a schedule of charges for the distribution of electricity under use of system;

- (b) a schedule of adjustment factors to be made in respect of distribution losses, in the form of additional supplies required to cover those distribution losses;
 - (c) a schedule of charges in respect of accounting and administrative services;
 - (d) a schedule of the charges (if any) which may be made for the provision and installation of any electrical plant at entry or exit points, the provision and installation of which are ancillary to the grant of use of system, and for the maintenance of such electrical plant; and
 - (e) information of any electricity distribution use of system rebates given or announced to authorised electricity operators in the 12 months preceding the date of publication or revision of the statement
4. Approvals by the Authority pursuant to paragraphs 1(a) and 1(c) may be granted subject to such conditions relating to further action to be undertaken by the licensee in relation to the use of system charging methodology better meeting the relevant objectives set out in standard condition 4A as the Authority deems appropriate. Such conditions may include (but are not limited to) elements relating to the time by which action under the conditions must be completed.
 5. Nothing in this condition shall affect the ability of the licensee to charge according to the statement issued pursuant to paragraph 2.
 6. The licensee shall send to the Authority not less than 3 months prior to the date on which it proposes to amend its use of system charges in respect of any agreement for use of system, a notice setting out the licensee's proposals in relation to such amendment together with an explanation of the proposed amendment (including a statement of any assumptions on which such proposals are based), and the licensee shall send a copy of such notice to any person who has entered into an agreement for use of system in accordance with the provisions of this licence.
 7. Except with the prior consent of the Authority, the licensee shall not amend its use of system charges in respect of any agreement for use of system save to the extent that it has given prior notice of the amendment in accordance with paragraph 6 and

such amendment reflects the proposals made in the notice (subject only to revisions consequent upon material changes in the matters which were expressed, in the statement which accompanied the notice, to be assumptions on which the proposals were based).

8. Unless otherwise determined by the Authority, the licensee shall only enter arrangements for use of system which secure that use of system charges will conform with the statement last furnished under paragraph 2 either:

(a) before it enters into the arrangements; or

(b) before the charges in question from time to time fall to be made,

and, for the purposes of this paragraph, the reference to the statement last furnished under paragraph 2 shall be construed, where that statement is subject to amendments so furnished before the relevant time, as a reference to that statement as so amended.

9. References in paragraphs 1, 2, 6 and 8 to charges do not include references to connection charges.

10. The licensee may periodically revise the information set out in and, with the approval of the Authority, alter the form of the statements prepared in accordance with paragraph 1(c) and 2 and shall, at least once in every year that this licence is in force, make such revisions as may be necessary to such statements in order that the information set out in the statements shall continue to be accurate in all material respects.

11. The licensee shall give or send a copy of the statements prepared in accordance with paragraph 1(c) and 2, or (as the case may be) of the latest revision of such statements, to any person who requests a copy of such statement or statements.

12. The licensee may make a charge for any statement given or sent pursuant to paragraph 11 of an amount which shall not exceed the amount specified in directions issued by the Authority for the purposes of this condition based on the Authority's estimate of the licensee's reasonable costs of providing such a statement.

Condition 4A. Use of System Charging Methodology

1. The licensee shall, for the purpose of ensuring that the use of system charging methodology achieves the relevant objectives, review the use of system charging methodology at least once in every year.
2. The licensee shall, subject to paragraph 3, make such modifications of the use of system charging methodology as may be requisite for the purpose of better achieving the relevant objectives.
3. Except with the consent of the Authority, before making a modification to the use of system charging methodology, the licensee shall:
 - (a) furnish the Authority with a report setting out;
 - (i) the terms proposed for the modification;
 - (ii) how the intended modification better achieves the relevant objectives; and
 - (iii) a timetable for implementation of the modification and the date with effect from which the modification (if made) is to take effect, such date being not earlier than the date on which the period referred to in paragraph 4 expires; and
 - (b) where the Authority has given a direction that sub-paragraph (a) should not apply, comply with such other requirements (if any) that the Authority may specify in the direction.
4. Where the licensee has complied with the requirements of paragraph 3, it shall, make the modification to the use of system charging methodology, unless:
 - (a) the Authority has within 28 days of the report being furnished to him given a direction that the modification may not be made, or
 - (b) the Authority has within 28 days of the report being furnished to him, notified the licensee that it intends to consult and then within 3 months given a direction that the modification may not be made.

5. In paragraphs 1, 2 and 3 “the relevant objectives” shall mean the following objectives:
 - a) that compliance with the use of system charging methodology facilitates the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;
 - b) that compliance with the use of system charging methodology facilitates effective 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 use of system charging 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 use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in the licensee’s distribution business.
6. The licensee shall send a copy of any report furnished under paragraph 3 to any person who asks for any such report.
7. The licensee may make a charge for any report sent pursuant to paragraph 6 of an amount which shall not exceed the amount specified in directions issued by the Authority for the purposes of this condition based on the Authority’s estimate of the licensee's reasonable costs of providing such a report.
8. Nothing in this condition shall:
 - a) where any charge restriction conditions (within the meaning given in paragraph 3 of special condition A of the distribution licence as at 6 April 2004) apply, impact on the application of those conditions; or
 - b) where any charging arrangements condition (within the meaning of amended standard condition BA1 of the distribution licence as from time

to time modified or replaced in accordance with the provisions of the Act) applies, impact on the application of that condition.

Condition 4B. Connection Charging Methodology

1. The licensee shall, by 1 April 2005:
 - (a) determine a connection charging methodology approved by the Authority; and
 - (b) conform to the connection charging methodology as modified in accordance with paragraph 17.
2. The licensee shall, for the purpose of ensuring that the connection charging methodology achieves the relevant objectives, review the connection charging methodology at least once in every year.
3. The licensee shall, subject to paragraph 16, make such modifications to the connection charging methodology as may be requisite for the purpose of better achieving the relevant objectives.
4. The licensee shall:
 - (a) prepare a statement in a form approved by the Authority setting out the basis upon which charges will be made for the provision of connections to the licensee's distribution system, including:
 - (i) a schedule listing those items (including the carrying out of works and the provision and installation of electric lines or electrical plant) of significant cost liable to be required for the purpose of connection (at entry or exit points) to the licensee's distribution system for which connection charges may be made or levied and including (where practicable) indicative charges for each such item and (in other cases) an explanation of the methods by which and the principles on which such charges will be calculated, including;
 - (ii) the methods by which and the principles on which any charges will be made in respect of extension or reinforcement of the licensee's distribution system rendered (in the licensee's discretion) necessary or appropriate by virtue of providing connection to or use of system to any person seeking connection;

- (iii) the methods by which and the principles on which connection charges will be made in circumstances where the electric lines or electrical plant to be installed are (at the licensee's discretion) of greater size or capacity than that required for use of system by the person seeking connection;
- (iv) (save to the extent that such matters are included in any agreement offered in accordance with standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services) the methods by which and principles on which any charges will be made for the provision of special metering or telemetry or data processing equipment by the licensee for the purposes of enabling any person who is party to the Balancing and Settlement Code and or the Settlement Agreement for Scotland to comply with its obligations in respect of metering thereunder, or for the performance by the licensee of any service in relation to such metering thereto);
- (v) the methods by which and principles on which any charges will be made for disconnection from the licensee's distribution system and the removal of electrical plant and electric lines following disconnection; and
- (vi) the methods by which and the principles on which any charges (including any capitalised charge) will be made for maintenance, repair and replacement required of electric lines or electrical plant provided and installed for making a connection to the licensee's distribution system.

and the statement referred to in this paragraph shall be in such form and with such detail as shall be necessary to enable any person to make a reasonable estimate of the charges which the person would become liable to pay for the provision of such services.

- (b) From 1 April 2005 the statement referred to in (a) shall be prepared in accordance with the connection charging methodology, and shall be approved by the Authority.

5. An approval by the Authority pursuant to paragraph 1(a) and 4(b) 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 set out in paragraph 18 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.

6. Nothing in this condition shall affect the ability of the licensee to charge according to the statement issued pursuant to paragraph 4.
7. Unless otherwise determined by the Authority, the licensee shall only enter into an agreement for providing a connection or modification to or retention of an existing connection which secures that the connection charges will conform with the statement of the connection charging methodology last furnished under paragraphs 4(b) or 17 either:
 - a) before it enters into the arrangements; or
 - b) before the charges in question from time to time fall to be made.
8. Connection charges for those items referred to in paragraph 4 will be set at a level which will enable the licensee to recover:
 - a) the appropriate proportion to be determined having regard to the factors set out in paragraph 4 of the costs directly or indirectly incurred in carrying out any works, the extension or reinforcement of the licensee's distribution system or the provision and installation, maintenance, repair, and replacement or (as the case may be) removal following disconnection of any electric lines or electrical plant; and
 - b) a reasonable rate of return on the capital represented by such costs.
9. For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under an agreement for providing a connection or modification to or retention of an existing connection, the licensee shall have regard to:
 - a) the benefit (if any) to be obtained or likely in the future to be obtained by the licensee or any other person as a result of the carrying out of such works by reason of extension of the licensee's distribution system or the provision of additional entry or exit points on such system or otherwise;

- b) the ability or likely future ability of the licensee to recoup a proportion of such costs from third parties; and
 - c) the principles that, subject to sub-paragraph (v):
 - i. charges will not generally take into account system reinforcement carried out at more than one voltage level above the voltage of connection;
 - ii. charges will not generally take into account the costs (including any capitalised charge) for maintenance, repair and replacement required of electric lines or electrical plant provided and installed for making a connection to the licensee's distribution system.
 - iii. the licensee may charge at the time of connection an amount for reinforcement of the licensee's distribution system based upon a proportionate share of the increased capacity requirement at the relevant points on the system;
 - iv. connection charges will not cover costs that are covered by use of system charges; and
 - v. up to 31 March 2005, the licensee will be subject to the provisions under condition 4B paragraph 5c of this licence in the form of that condition in force on 6 April 2004.
10. If so requested and subject to paragraphs 12 and 14, the licensee shall, as soon as practicable and in any event within 28 days (or where the Authority so approves such longer period as the licensee may reasonably require having regard to the nature and complexity of the request) after the date referred to in paragraph 11 give or send to any person making such request a statement showing present and future circuit capacity, forecast power flows and loading on the part or parts of the licensee's distribution system specified in the request and fault levels for each distribution node covered by the request and containing:

- a) such further information as shall be reasonably necessary to enable such person to identify and evaluate the opportunities available when connecting to and making use of the part or parts of the licensee's distribution system specified in the request; and
 - b) if so requested, a commentary prepared by the licensee indicating the licensee's views as to the suitability of the part or parts of the licensee's distribution system specified in the request for new connections and the distribution of further quantities of electricity.
11. For the purposes of paragraph 10, the date referred to shall be the later of:
- (a) the date of receipt of the request referred to in paragraph 10; or
 - (b) the date on which the licensee receives agreement from the person making the request to pay the amount estimated or such other amount as is determined by the Authority (as the case may be) under paragraph 13.
12. The licensee shall include in every statement given or sent under paragraph 10 the information required by that paragraph except that the licensee may:
- a) with the prior consent of the Authority omit from any such statement any details as to circuit capacity, power flows, loading or other information, disclosure of which would, in the view of the Authority, seriously and prejudicially affect the commercial interests of the licensee or any third party; and
 - b) omit information the disclosure of which would place the licensee in breach of standard condition 39 (Restriction on Use of Certain Information and Independence of the Distribution Business) (if applicable).
13. The licensee may within 10 days after receipt of the request provide an estimate of its reasonable costs in the preparation of any statement referred to in paragraph 10, and its obligation to provide such statement shall be conditional on the person requesting such statement agreeing to pay the amount estimated or such other amount as the Authority may, upon application of the licensee or the person requesting such statement, direct.
14. The licensee shall give or send a copy of the statements prepared in accordance with paragraph 4, or (as the case may be) of the latest revision of such statements, to any person who requests a copy of such statement or statements.

15. The licensee may make a charge for any statement given or sent pursuant to paragraph 14 of an amount which shall not exceed the amount specified in directions issued by the Authority for the purposes of this condition based on the Authority's estimate of the licensee's reasonable costs of providing such a statement.
16. Except with the consent of the Authority, before making a modification to the connection charging methodology the licensee shall:
 - (a) furnish the Authority with a report setting out:
 - (i) the terms proposed for the modification;
 - (ii) how the intended modification better achieves the relevant objectives; and
 - (iii) a timetable for implementation of the modification and the date with effect from which the modification (if made) is to take effect, such date being not earlier than the date on which the period referred to in paragraph 17 expires; and
 - (c) where the Authority has given a direction that sub-paragraph (a) should not apply, comply with such other requirements (if any) that the Authority may specify in the direction.
17. Where the licensee:
 - (a) has complied with the requirements of paragraph 16, it shall, make the modification to the connection charging methodology, unless:
 - (i) the Authority has within 28 days of the report being furnished to him given a direction that the modification may not be made, or
 - (ii) the Authority has, within 28 days of the report being furnished to him, notified the licensee that it intends to consult and then within 3 months given a direction that the modification may not be made.
 - (b) makes a modification to the connection charging methodology, 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 3 from the date specified therein

18. In paragraphs 2, 3 and 16 “the relevant objectives” shall mean the objectives referred to in paragraph 5 of standard condition 4A(Use of System Charging Methodology), as if references therein to the use of system charging methodology were to the connection charging methodology.
19. The licensee shall send a copy of any report furnished under paragraph 16 to any person who asks for such a report.
20. The licensee may make a charge for any report sent pursuant to paragraph 16 of an amount which shall not exceed the amount specified in directions issued by the Authority for the purposes of this condition based on the Authority’s estimate of the licensee's reasonable costs of providing such a report
21. Nothing in this condition shall:
 - a) where any charge restriction conditions (within the meaning given in paragraph 3 of special condition A of the distribution licence as at 2 April 2004) apply, impact on the application of those conditions; or
 - b) where any charging arrangements condition (within the meaning of amended standard condition BA1 of the distribution licence as from time to time modified or replaced in accordance with the provisions of the Act) applies, impact on the application of that condition.

Condition 4C. Non- discrimination in the Provision of Use of System and Connection to the System

1. In the carrying out of works for the purpose of connection to the licensee's distribution system, or in providing for the modification to or retention of an existing connection to its distribution system, the licensee shall not discriminate between any persons or class or classes of persons.
2. In the provision of use of system the licensee shall not discriminate between any persons or class or classes of persons.
3. Without prejudice to paragraphs 1 and 2, and subject to the provisions of condition 4 (Charges for Use of System), the licensee shall not make charges for the provision of use of system to any person or class or classes of persons which differ from the charges for such provision to any other person or to any class or classes of persons, except in so far as such differences reasonably reflect differences in the costs associated with such provision.
4. The licensee shall not in setting its charges for connection or use of system restrict, distort or prevent competition in the generation, transmission, distribution or supply of electricity.

Condition 4D. Requirement to Offer Terms for Use of System and Connection

1. On application made by any person the licensee shall (subject to paragraph 4) offer to enter into an agreement for use of system:
 - (a) to accept into the licensee's distribution system at such entry point or points and in such quantities as may be specified in the application, electricity to be provided by or on behalf of such person; and/or
 - (b) to distribute such quantities of electricity as are referred to in subparagraph (a) (less any distribution losses) at such exit point or points on the licensee's distribution system and to such person or persons as the applicant for use of system may specify.

2. On application made by any person for a connection, the licensee shall offer terms for making the connection pursuant to section 16 and section 16A of the Act. Such offer of a connection shall comply with the provisions of this condition.

3. Where the licensee:
 - (i) makes an offer to enter into a connection agreement pursuant to section 22 of the Act; or
 - (ii) replies to a request for a connection made to it under section 16A of the Act

the licensee shall, in making the offer or replying to the applicant, make detailed provision regarding:

 - (a) the carrying out of the works (if any) required to connect the licensee's distribution system to any other system for the transmission or distribution of electricity, and for the obtaining of any consents necessary for such purpose;
 - (b) the carrying out of the works (if any) in connection with the extension or reinforcement of the licensee's distribution system rendered (in the licensee's discretion) appropriate or necessary by reason of making the

connection or modification to an existing connection and for the obtaining of any consents necessary for such purpose;

- (c) (save to the extent that such matters are included in any agreement offered in accordance with standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services)) the installation of appropriate meters (if any) required to enable the licensee to measure electricity being accepted into the licensee's distribution system at the specified entry point or points or leaving such system at the specified exit point or points;
 - (d) the installation of such switchgear or other apparatus (if any) as may be required for the interruption of supply where the person seeking connection or modification of an existing connection does not require the provision of top-up or standby; and
 - (e) (save to the extent that such matters are included in any agreement offered in accordance with standard condition 36B (Requirement to Offer Terms for the Provision of Distributor Metering and Data Services)) the installation of special metering, telemetry or data processing equipment (if any) for the purpose of enabling any person who is party to the Balancing and Settlement Code and or the Settlement Agreement for Scotland to comply with its obligations in respect to metering or the performance by the licensee of any service in relation to such metering thereunder.
4. In making an offer pursuant to this condition to enter into any connection agreement or in replying to a request for connection under section 16A of the Act, the licensee shall set out:
- (a) the date by which in the case of an agreement under paragraph 2, any works required to permit access to the licensee's distribution system (including for this purpose any works to reinforce or extend the licensee's distribution system) shall be completed, time being of the essence unless, in the case of connection agreements only, otherwise agreed between the parties;

- (b) the charges to be paid in respect of the services required, such charges (unless manifestly inappropriate):
 - (i) to be presented in such a way as to be referable to the statement prepared in accordance with paragraph 4 of standard condition 4B (Connection Charging Methodology) or any revision thereof; and
 - (ii) to be set in conformity with the requirements of standard condition 4B (Connection Charging Methodology).
 - (c) such other detailed terms in respect of each of the services required as are or may be appropriate for the purpose of the agreement.
5. The licensee shall offer terms for agreements in accordance with paragraphs 2 and 4 as soon as practicable and (save where the Authority consents to a longer period) in any event not more than the period specified in paragraph 6 after receipt by the licensee (or its agent) from any person of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.
6. For the purposes of paragraph 5, the period specified shall be:
- (a) in the case of persons seeking the provision of use of system only, 28 days;
 - (b) in the case of persons seeking connection or a modification to an existing connection, 3 months; and
 - (c) in the case of persons seeking use of system in conjunction with connection or a modification to an existing connection, 3 months.
7. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement:

- (a) under paragraphs 2 and 4 if to do so would be likely to involve the licensee being:
 - (i) in breach of its duties under section 9 of the Act;
 - (ii) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect to the distribution business;
 - (iii) in breach of the Grid Codes or the licensee's Distribution Code; or
 - (iv) in breach of the conditions; or
- (b) under paragraphs 2 or 4, if the person making the application does not undertake to be bound, in so far as applicable, by the terms of the licensee's Distribution Code or the applicable Grid Code from time to time in force; or
- (c) under paragraphs 2 and 4, if to do so would be likely to involve the licensee doing something which, without the consent of another person, would require the exercise of a power conferred by any provision of Schedules 3 or 4 to the Act; where the licence does not provide for that provision to have effect in relation to it; and any necessary consent has not, at the time the request is made, been given.

8. The licensee shall within 28 days following receipt of a request from any person, give or send to such person such information in the possession of the licensee as may be reasonably required by such person for the purpose of completing an application under the Application Regulations or such provisions to like effect contained in any further regulations then in force made pursuant to sections 6(3), 60 and 64(1) of the Act.

Condition 4E. Functions of the Authority

1. If, after a period which appears to the Authority to be reasonable for the purpose, the licensee has failed to enter into an agreement with any person entitled or claiming to be entitled thereto pursuant to a request under standard condition 4D (Requirement to Offer Terms for Use of System and Connection) the Authority may, on the application of such person or the licensee, settle any terms of the agreement in dispute between the licensee and that person in such manner as appears to the Authority to be reasonable having (in so far as relevant) regard in particular to the following considerations:
 - (a) that such a person should pay to the licensee,
 - i) in the case of provision of use of system, the use of system charges determined in accordance with standard condition 4 (Charges for Use of System); and
 - ii) in the case of connection charges determined in accordance with standard condition 4B (Connection Charging Methodology).
 - (b) that the performance by the licensee of its obligations under the agreement should not cause it to be in breach of those provisions referred to at paragraph 7 of standard condition 4D (Requirement to Offer Terms for Use of System and Connection);
 - (c) that any methods by which the licensee's distribution system is connected to any other system for the transmission or distribution of electricity accord (in so far as applicable to the licensee) with the applicable Distribution Codes and Grid Codes; and
 - (d) that the terms and conditions of the agreement so settled by the Authority and of any other agreements entered into by the licensee pursuant to a request under standard condition 4D (Requirement to Offer Terms for Use of System and Connection) should be in as similar a form as is practicable.
2. In so far as any person entitled or claiming to be entitled to an offer under standard condition 4D (Requirement to Offer Terms for Use of System and Connection)

wishes to proceed on the basis of an agreement as settled by the Authority pursuant to paragraph 1, the licensee shall forthwith enter into and implement such agreement in accordance with its terms.

3. If either party to such agreement proposes to vary the contractual terms of any agreement for use of system, for the provision of a connection or for the modification to an existing connection to the licensee's distribution system, entered into pursuant to standard condition 4D (Requirement to Offer Terms for Use of System and Connection) or under this condition in any manner provided for under such agreement, the Authority may, at the request of that party, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable.

4. If the licensee and an authorised electricity operator or other person party to a relevant agreement are in dispute as to whether:
 - (a) use of system charges made, or to be made, conform with the statement of the use of system methodology furnished under paragraphs 1(c) or 10 of standard condition 4 (Charge for Use of System) which applied or applies in relation to the period in respect of which the dispute arises; or
 - (b) use of system charges made, or to be made, conform with the statement of use of system charges furnished under paragraphs 2 or 10 of standard condition 4 (Charge for Use of System) which applied or applies in relation to the period in respect of which the dispute arises; or
 - (c) connection charges made, or to be made, conform with the statement of the connection charging methodology furnished under paragraphs 4 or 17 of standard condition 4B (Connection Charging Methodology) which applied or applies in relation to the period in respect of which the dispute arises,

such dispute may be referred to the Authority for it to determine whether, in the case of sub-paragraph (a), the charges made, or to be made, conformed with the

relevant statement(s) furnished under standard condition 4 (Charges for Use of System), or whether, in the case of sub-paragraphs (b), the charges conformed with the relevant methodology.