

## SCHEDULE 6

Article 8

## Modification to licences granted to authorised transmitters

*Condition C20. Assistance for areas with high distribution costs scheme: restriction on revenue*

1. The licensee shall ensure that in each relevant year the total scheme amount shall not exceed the amount calculated in accordance with the following formula:

$$HBM_t = A_t + HBOC_t - HBK_t$$

where

$HBM_t$	represents the total scheme amount in relation to the relevant year t.
$A_t$	represents the assistance amount in relation to the relevant year t.
$HBOC_t$	represents the administration allowance in relation to the relevant year t.
$HBK_t$	represents the correction amount in relation to the relevant year t.

2. For the purposes of paragraph 1 above, for the first relevant year of the assistance for areas with high distribution costs scheme, the assistance amount shall have the value specified in the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005 and for each subsequent relevant year the assistance amount shall be derived from the following formula:

$$A_t = A_{t-1} \left[ 1 + \frac{RPI_t}{100} \right]$$

where

$A_{t-1}$	represents the assistance amount in relation to the relevant year t-1.
$RPI_t$	means the percentage change (whether of a positive or a negative value) in the arithmetic average of the Retail Price Index figures published or determined with respect to each of the six months May to October (both inclusive) in relation to the relevant year t-1 and that are published or determined with respect to the same months in relation to the relevant year t-2.

3. For the purposes of paragraph 1 above, for the first relevant year of the assistance for areas with high distribution costs scheme, the administration allowance shall have the value of £150,000 (one hundred and fifty thousand pounds), for the second relevant year of the assistance for areas with high distribution costs scheme, the administration allowance shall have the value of £80,000 (eighty thousand pounds) and for each subsequent relevant year, the administration allowance shall be derived from the following formula:

$$HBOC_t = HBOC_{t-1} \left[ 1 + \frac{RPI_t}{100} \right]$$

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

where

HBOC <sub>t-1</sub>	represents the administration allowance in relation to the relevant year t-1.
RPI <sub>t</sub>	means the percentage change (whether of a positive or a negative value) in the arithmetic average of the Retail Price Index figures published or determined with respect to each of the six months May to October (both inclusive) in relation to the relevant year t-1 and that are published or determined with respect to the same months in relation to the relevant year t-2.

4. For the purposes of paragraph 1 above, for the first relevant year of the administration for areas with high distribution costs scheme, the correction amount shall have the value zero and for all subsequent relevant years shall have the value derived from the following formula:

$$HBK_t = (HBC_{t-1} - HBM_{t-1}) \left[ 1 + \frac{I_t}{100} \right]$$

where

HBC <sub>t-1</sub>	means the actual income from payments received from authorised suppliers pursuant to standard condition C21 (Assistance for areas with high distribution costs scheme: payments from authorised suppliers), excluding an amount for interest on payments, using the base interest rate in relation to the relevant year t-1.
HBM <sub>t-1</sub>	means the total scheme amount in relation to the relevant year t-1.
I <sub>t</sub>	represents the base interest rate in relation to the relevant year t as of the date upon which such calculation under paragraph 1 above is conducted.

5. In this condition:

“administration allowance”	means the amount of the licensee’s revenue allowance for administering the assistance for areas with high distribution costs scheme with the value specified in or calculated in accordance with paragraph 3 above.
“assistance amount”	means the amount payable by the licensee to a relevant distributor in any relevant year made pursuant to standard condition C22 (Assistance for areas with high distribution costs scheme: payments to a relevant distributor) and with the

	value specified in or calculated in accordance with paragraph 2 above.
“assistance for areas with high distribution costs scheme”	means the scheme established pursuant to the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005.
“authorised supplier”	has the same meaning as in section 184 of the Energy Act 2004.
“base interest rate”	means, in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding business day.
“business day”	means any week day other than a Saturday on which the banks are open for domestic business in the City of London.
“correction amount”	means the amount for reconciliation of payments in respect of the assistance for areas with high distribution costs scheme with the value as specified in or calculated in accordance with paragraph 4 above.
“late payments”	means payments required to be made by authorised suppliers and not received by the licensee by the due date specified in any invoice issued by the licensee in relation to same pursuant to standard condition C21 (Assistance for areas with high distribution costs scheme: payments from authorised suppliers).
“relevant distributor”	has the same meaning as in section 184 of the Energy Act 2004.
“relevant year”	means a year beginning on 1 April of each calendar year and ending on 31 March of the following calendar year.
“specified area”	means the area specified in the Energy Act 2004 (Assistance for Areas with High Distribution Costs) Order 2005.
“total scheme amount”	means the maximum allowable revenue of the licensee in relation to the assistance for areas with high distribution costs scheme with the value specified in or as calculated in accordance with paragraph 1 above.

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