



Single Electricity Market

**Directions to SONI regarding the SEM Operator Licence and
SONI's licence to participate in the transmission of electricity**

02 October 2007

(AIP/SEM/07/496)

Request for Information and Directions in relation to Condition 9 of SONI's SEM Operator Licence

1. Paragraph 6(a) of licence condition 9 (Restriction on Use of Certain Information) states that the Licensee shall:

'procure and furnish to the Authority, in such manner and at such times as the Authority may require, such information and reports as the Authority may consider necessary concerning the performance by the Licensee of its obligations under paragraphs 1 and 5 and the effectiveness of the measures, procedures and steps specified in the directions referred to in paragraph 3'.

2. In accordance with paragraph 6(a), the Authority requires that within one calendar month of SEM Go-Live, and by 1 December each year thereafter, SONI (the "Licensee") shall submit to the Authority a report setting out the following matters:

- (a) A description of the arrangements that the Licensee has put in place to ensure that neither the Licensee nor any other person uses protected information for the purposes of obtaining an unfair commercial advantage in relation to any business of the Licensee and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (b) A description of the arrangements that the Licensee has in place to ensure that protected information is not disclosed to other persons without the consent in writing of the person to whose affairs that information relates and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (c) Details of any consents (including copies where appropriate) that the Licensee has received permitting it to disclose protected information to any other person;
- (d) A description of the arrangements that the Licensee (and/or each Separate Business of the Licensee) has in place to ensure that protected information in the possession of a Separate Business is not disclosed to any other business of the Licensee except with the prior consent in writing of the person to whose affairs that information relates and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (e) Details of any consents (including copies where appropriate) that the Licensee has received permitting any Separate Business of the Licensee to disclose protected information to any other business of the Licensee;
- (f) A description of any contractual undertakings from affiliates or related undertakings that have control over the Licensee to act in a particular manner and/or put in place particular arrangements in respect of protected information and where appropriate a

description of the endeavours made by the Licensee to procure and enforce such undertakings;

- (g) A description of the arrangements that the Licensee has put in place to ensure that relevant protected information received by the Licensee (or any affiliate or related undertaking of the Licensee) is not divulged by any business person to any person who is not an authorised recipient and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
 - (h) A description of the arrangements that the Licensee has put in place to ensure that relevant protected information received by the Licensee (or any affiliate or related undertaking) is not used by any business person otherwise than for the purpose of pursuing an authorised purpose or advising in relation to the pursuit of an authorised person and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
 - (i) A description of any arrangements that the Licensee (or any affiliate or related undertaking) has put in place to comply with any directions (if any) issued by the Authority under paragraph 3 and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
 - (j) A description of the processes that the Licensee (or any affiliate or related undertaking) has in place to ensure that the Licensee continues to ensure compliance with the obligations in paragraphs 1 and 5.
3. Paragraph 3 of licence condition 9 (Restriction on Use of Certain Information) states that the Licensee shall:

‘implement such measures and procedures and take all such other steps as may be specified in directions issued by the Authority from time to time for the purposes of this Condition and reasonably considered by the Authority to be necessary for the purpose of securing compliance by the Licensee with its obligations under paragraph 1.’

4. In accordance with paragraph 3 the Authority directs that where the Licensee becomes aware that the Licensee (or any affiliate or related undertaking) has breached condition 9, the Licensee shall promptly notify the Authority of the breach and, as soon as practicable thereafter (and in any event within such timescales as the Authority may specify) issue a report to the Authority providing a detailed description of the breach and the steps that the Licensee (or affiliate or related undertaking) has carried out or proposes to carry out so as to ensure that the breach does not recur and that other breaches of a similar nature do not occur.

5. This request for information and direction is issued under and should be interpreted in accordance with condition 9 of SONI's SEM Operator licence. Unless the context requires otherwise, words and phrases that are defined in such licence shall have the same meaning herein.

Request for Information and Directions in relation to Condition 11 of SONI's Licence to Participate in the Transmission of Electricity

1. Paragraph 6(a) of licence condition 11 (Restriction on Use of Certain Information) of SONI's licence to participate in the transmission of electricity states that the Licensee shall:

'procure and furnish to the Authority, in such manner and at such times as the Authority may require, such information and reports as the Authority may consider necessary concerning the performance by the Licensee of its obligations under paragraphs 1 and 5 and the effectiveness of the measures, procedures and steps specified in the directions referred to in paragraph 3'.

2. In accordance with paragraph 6(a), the Authority requires that within one calendar month of SEM Go-Live, and by 1 December each year thereafter, SONI (the "Licensee") shall submit to the Authority a report setting out the following matters:

- (a) A description of the arrangements that the Licensee has put in place to ensure that neither the Licensee nor any other person uses protected information for the purposes of obtaining an unfair commercial advantage in relation to any business of the Licensee and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (b) A description of the arrangements that the Licensee has in place to ensure that protected information is not disclosed to other persons without the consent in writing of the person to whose affairs that information relates and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (c) Details of any consents (including copies where appropriate) that the Licensee has received permitting it to disclose protected information to any other person;
- (d) A description of the arrangements that the Licensee (and/or each Separate Business of the Licensee) has in place to ensure that protected information in the possession of a Separate Business is not disclosed to any other business of the Licensee except with the prior consent in writing of the person to whose affairs that information relates and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (e) Details of any consents (including copies where appropriate) that the Licensee has received permitting any Separate Business of the Licensee to disclose protected information to any other business of the Licensee;
- (f) A description of any contractual undertakings from affiliates or related undertakings that have control over the Licensee to act in a particular manner and/or put in place

particular arrangements in respect of protected information and where appropriate a description of the endeavours made by the Licensee to procure and enforce such undertakings;

- (g) A description of the arrangements that the Licensee has put in place to ensure that relevant protected information received by the Licensee (or any affiliate or related undertaking of the Licensee) is not divulged by any business person to any person who is not an authorised recipient and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (h) A description of the arrangements that the Licensee has put in place to ensure that relevant protected information received by the Licensee (or any affiliate or related undertaking) is not used by any business person otherwise than for the purpose of pursuing an authorised purpose or advising in relation to the pursuit of an authorised person and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (i) A description of any arrangements that the Licensee (or any affiliate or related undertaking) has put in place to comply with any directions (if any) issued by the Authority under paragraph 3 and a description of the steps taken to implement those arrangements (including documentary evidence of implementation where appropriate);
- (j) A description of the processes that the Licensee (or any affiliate or related undertaking) has in place to ensure that the Licensee continues to ensure compliance with the obligations in paragraphs 1 and 5.

3. Paragraph 3 of licence condition 11 (Restriction on Use of Certain Information) states that the Licensee shall:

‘implement such measures and procedures and take all such other steps as may be specified in directions issued by the Authority from time to time for the purposes of this Condition and reasonably considered by the Authority to be necessary for the purpose of securing compliance by the Licensee with its obligations under paragraph 1.’

4. In accordance with paragraph 3 the Authority directs that where the Licensee becomes aware that the Licensee (or any affiliate or related undertaking) has breached condition 11, the Licensee shall promptly notify the Authority of the breach and, as soon as practicable thereafter (and in any event within such timescales as the Authority may specify) issue a report to the Authority providing a detailed description of the breach and the steps that the Licensee (or affiliate or related undertaking) has carried out or proposes to carry out so as to ensure that the breach does not recur and that other breaches of a similar nature do not occur.

5. This request for information and direction is issued under and should be interpreted in accordance with condition 11 of SONI's licence to participate in the transmission of electricity. Unless the context requires otherwise, words and phrases that are defined in such licence shall have the same meaning herein.