

Steve McMahon  
Deputy Director, Electricity Distribution  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

25 June 2021

Dear Steve,

**RIIO-ED1 Green Recovery Scheme – Statutory Consultation on proposed modifications to the licence conditions and Price Control Financial Instruments**

Scottish and Southern Electricity Networks Distribution (SSEN-D) welcomes the above consultation and the proposed modifications to our licence conditions and Price Control Financial Instruments (PCFI) to enable ED1 funding under the Green Recovery Scheme. We assume that the necessary Regulatory Instructions and Guidance to support reporting under this licence change will follow in due course.

Regarding the licence condition and PCFI changes currently out for consultation, we note the following minor comments.

*Licence condition 3N*

We would have preferred the Statutory Consultation to include the appropriate values within the tables under Appendix 1 and Appendix 2 given that these values are already pre-determined. It is not clear why the decision has been taken to exclude these.

We note a surplus comma in paragraph 3N.3 of the licence condition: -

*“Subject to paragraph 3N.4, to 3N.9 below, the Authority will determine GRS values in accordance with the following formula:”.*

*PCFI ED1 Handbook (slow track)*

Under Chapter 7, paragraph 7.70 on p100 of the PCFI ED1 Handbook (slow track) (and repeated for each of the respective Chapter 7s), we note the inclusion of the following text:- *“because total actual Totex is matched by an equal value of allowed Totex”*. In each instance, we are not clear that this explanatory text is either helpful or necessary.

Under Chapter 7, paragraph 7.71 on page 100 of the PCFI ED1 Handbook (slow track) (and repeated for each of the respective Chapter 7s), we are of the view that the final sentence should read:- *“The full **excess** expenditure is subjected to the TIM”* (rather than *“actual”*).

Finally, under the table of Contents on page 4 of the PCFI ED1 Handbook (slow track), we note two references to Section 7 under the Section 7 that is applicable to SSEH only; the second of these should refer to Section 13.

Should you wish to discuss any aspect of this response, please do not hesitate to contact me.

Yours sincerely,

Gillian Hilton,  
Networks Regulation