

Electricity North West Ltd (ENWL) Northern Powergrid (Northeast) Ltd (NPgN) Northern Powergrid (Yorkshire) plc (NPgY) London Power Networks plc (LPN) South Eastern Power Networks plc (To: Electricity North West Ltd (ENWL) Northern Powergrid (Northeast) Ltd (NPgN) Northern Powergrid (Yorkshire) plc (NPgY) London Power Networks plc (LPN) South Eastern Power Networks plc (SPN) Eastern Power Networks plc (EPN) SP Distribution plc (SPD) SP Manweb plc (SPMW) Scottish Hydro Electric Power Distribution plc (SSEH) Southern Electric Power Distribution plc (SSES) Western Power Distribution (West Midlands) plc (WMID) Western Power Distribution (East Midlands) plc (EMID) Western Power Distribution (South Wales) plc (SWALES) Western Power Distribution (South West) plc (SWEST)

Direct Dial: 0207 901 7399 Email: Mark.Hogan@ofgem.gov.uk

Date: 13 May 2022

(the "Licensees")

Direction under Part C of Standard Condition 46 (Regulatory Instructions and Guidance) ("SLC 46") of the Electricity Distribution Licence granted to the Licensees under section 6(1)(c) of the Electricity Act 1989SPN) Eastern Power Networks plc (EPN) SP Distribution plc (SPD) SP Manweb plc (SPMW) Scottish Hydro Electric Power Distribution plc (SSEH) Southern Electric Power Distribution plc (SSES) Western Power Distribution (West Midlands) plc (WMID) Western Power Distribution (East Midlands) plc (EMID) Western Power Distribution (South Wales) plc (SWALES) Western Power Distribution (South West) plc (SWEST)

(the "Licensees")

Direction under Part C of Standard Condition 46 (Regulatory Instructions and Guidance) ("SLC 46") of the Electricity Distribution Licence granted to the Licensees under section 6(1)(c) of the Electricity Act 1989

and

Direction granting a derogation from SLC 46 of the Electricity Distribution Licence in relation to the submission deadline for the 2019-20 regulatory reporting packs

## Whereas -

- 1. The Licensees each hold an Electricity Distribution Licence (the "Licence") granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 (the "Act") and is subject to the conditions contained in the Licence.
- 2. The RIIO-ED1 Electricity Distribution Price Control Regulatory Instructions and Guidance ("the RIGs") are the primary means by which the Gas and Electricity Markets Authority (the "Authority"<sup>1</sup>) directs the Licensees to provide information required by the Authority to administer the Charge Restriction Conditions (and such standard conditions as may be relevant) of the Licence, and, where not referenced in the Charge Restriction Conditions of the Licence, the RIIO-ED1 Final Determination.
- 3. In accordance with paragraph 46.10 of SLC 46, the Authority gave Notice<sup>2</sup> on 17 March 2022 (the "Notice") that it proposed to modify the RIGs.
- 4. The Notice invited any representations on the proposed modifications on or before 14 April 2022. The Authority received six responses. All non-confidential responses are published on our website. In accordance with paragraph 46.10(e) of SLC 46, the Authority has considered the representations submitted, and made a small number of changes to the modifications proposed to the RIGs proposed in the Notice. Following this publication, we will engage with the Licensees to address any remaining issues. Our responses to the comments received are set out in Appendix 2<sup>3</sup>.
- 5. Appendix 2 to this Direction also provides a link to the following documents<sup>4</sup>, which incorporate all the modifications, including those made in light of consultation responses:
  - (a) RIIO-ED1 Electricity Distribution Price Control Regulatory Instructions and Guidance
  - (b) RIIO-ED1 Electricity Distribution RIGs Reporting Pack Templates
  - (c) RIIO-ED1 Electricity Distribution Commentaries
- 6. In Appendix 2, the modifications to the RIGs Guidance Documents and Commentaries ((a) and (c) above) set out in the Notice are shown track changes. Modifications to the RIGs Reporting Pack Templates ((b) above) are noted in the "changes log" tab of each pack.
- 7. All RIGs Reporting Pack Templates, RIGs Guidance Documents and Commentaries that have been issued as part of this Direction have been updated to version 7.0 for consistency, including the documents to which no modifications have been made. For the avoidance of doubt, only the changes stated in Appendix 2 have been made.
- 8. Unless otherwise stated in the RIGs, the modifications apply to information required in terms of the RIGs for the reporting year 1 April 2022 to 31 March 2023.

<sup>&</sup>lt;sup>1</sup> The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

<sup>&</sup>lt;sup>2</sup> <u>Notice proposing modifications to the Regulatory Instructions and Guidance (RIGs) for RIIO-ED1 (version 7.0) |</u> <u>Ofgem</u>

<sup>&</sup>lt;sup>3</sup> Appendix 2 shows the modifications as set out in the consultation. It also includes responses to the consultation and our decision.

<sup>&</sup>lt;sup>4</sup> The RIGs documents issued as part of this Direction do not include the Regulatory Financial Performance Reporting (RFPR) Guidance document or the associated RFPR Reporting Pack Template. We will make a decision on these documents separately in due course.

## Now therefore -

- Pursuant to paragraph 46.9 of SLC 46, the Authority hereby modifies the RIGs in the manner specified in the documents that can be accessed via the hyperlink in Appendix
  Licensees are required to report in accordance with these modified RIGs for the purpose of regulatory reporting.
- 10. Additionally, pursuant to paragraph 46.21 of SLC 46, the Authority hereby grants a derogation as detailed in paragraph 13 above.
- 11. This document, including the Appendices, constitutes notice of the Authority's reasons as required by section 49A of the Act.

.....

Steven McMahon Deputy Director, Electricity Distribution and Cross Sector Policy Duly authorised on behalf of the Authority 13 May 2022

## **Appendix 1: Stakeholder representations**

On 9 March 2022, we published our Notice proposing modifications to the RIIO-ED1 RIGs. Responses to this Notice can be found on the Authority's website.

## Appendix 2: Response to representations and the RIIO-ED1 RIGs Version 7.0

Our response to stakeholder representations and reasons for any differences between the proposed RIGs in the Notice and those in this Direction are in the issues log found on the Authority's website. The RIIO-ED1 RIGs Version 7.0 are also available on the Authority's website.