

To:

Electricity North West Limited

Northern Powergrid: Northeast

Northern Powergrid: Yorkshire

SP Energy Networks: Distribution

SP Energy Networks: Manweb

Scottish and Southern Energy Power Distribution: Scottish Hydro Electric Power Distribution

Scottish and Southern Energy Power Distribution: Southern Electric Power Distribution

UK Power Networks: London Power Networks

UK Power Networks: South East Power Networks

UK Power Networks: Eastern Power Networks

National Grid Electricity Distribution (West Midlands) plc

National Grid Electricity Distribution (East Midlands) plc

National Grid Electricity Distribution (South Wales) plc

National Grid Electricity Distribution (South West) plc

## **Electricity Act 1989**

### **Section 11A(1)(a)**

#### **Modification of the Special Conditions of the Electricity Distribution Licence held by each of the above licensees**

1. Each of the licensees to whom this document is addressed is the holder of an Electricity Distribution Licence ('the Licence') granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 ('the Act').
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 14 December 2022 ('the Notice') that we propose to modify the Licence by:

---

<sup>1</sup> The terms "the Authority", "we", and "us" are used interchangeably in this document.

- a. removing the existing Special Conditions; and
  - b. inserting new Special Conditions.
3. We stated that any representations to the modification proposal must be made on or before 17 January 2023.
4. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
5. We received fifteen responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is published alongside these modifications in the form of 'issue logs'.
6. It is necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in track change for the Special Conditions in the modification text that can be found on our website at [www.ofgem.gov.uk](http://www.ofgem.gov.uk). The reasons for the differences between the modifications set out in the Notice and the modifications being made are to correct typographical, computational and arithmetical errors and to address minor issues and corrections raised since the issuing of the Notice.
7. The reasons and effects for making the modifications, together with the full text of the proposed modifications can be found at <https://www.ofgem.gov.uk/energy-policy-and-regulation/engagement/consultations>, alternatively they are available from [foi@ofgem.gov.uk](mailto:foi@ofgem.gov.uk).
8. In addition, further details and background on these licence changes are set out in the following documents:
  - a. Statutory consultation for RIIO-ED2 Electricity Distribution licences;<sup>2</sup>
  - b. RIIO-2 informal licence drafting consultation for Electricity Distribution licences;<sup>3</sup>
  - c. RIIO-2 Draft determinations for Electricity Distribution;<sup>4</sup> and
  - d. RIIO-2 Final Determinations for Electricity Distribution.<sup>5</sup>
9. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of

---

<sup>2</sup> <https://www.ofgem.gov.uk/publications/riio-ed2-statutory-licence-consultation>

<sup>3</sup> <https://www.ofgem.gov.uk/publications/riio-ed2-informal-licence-drafting-consultation>

<sup>4</sup> <https://www.ofgem.gov.uk/publications/riio-ed2-draft-determinations>

<sup>5</sup> <https://www.ofgem.gov.uk/publications/riio-ed2-final-determinations>

the Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>6</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(a) of the Act, we hereby modify the Special Conditions of the Electricity Distribution licence of the licensees in the manner specified at <https://www.ofgem.gov.uk/energy-policy-and-regulation/engagement/consultations>. This decision will take effect from 1 April 2023.

The reasons and effect document is our notice of reasons for the purposes of section 49A(2) of the Act and can be found at <https://www.ofgem.gov.uk/energy-policy-and-regulation/engagement/consultations>.

.....  
Steve McMahon  
Duly authorised on behalf of the  
Gas and Electricity Markets Authority

3 February 2023

---

<sup>6</sup> CMA70  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1113629/Energy\\_Rules.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1113629/Energy_Rules.pdf)