

To:

All holders of an electricity distribution licence

Electricity Act 1989
Section 11A(1)(b)

Modification of the Standard Conditions of the Electricity Distribution Licences

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')¹ gave notice on 14 December 2022 ('the Notice') that we propose to modify the Licence by:
 - a. amending the Standard Licence Conditions (SLCs) set out in Annex 1 of the Notice;
 - b. inserting new SLCS set out in Annex 2 of the Notice; and
 - c. removing existing SLCs set out in Annex 3 of the Notice.
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

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

comments is set out at <https://www.ofgem.gov.uk/energy-policy-and-regulation/engagement/consultations>

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 and yellow highlight for the Standard Conditions in the modification text that can be found at 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 errors and to address minor issues and corrections raised since the issuing of the Notice.
7. In the Notice we proposed to delete SLC 47 (Environment Reporting). However, in order to enable the final year of environment reporting for the RIIO-ED1 price control, we have reinstated this condition and amended the text so that it ceases to have effect after the final report. As this is a change since the statutory consultation the whole condition has been highlighted in yellow. In addition, changes to the text compared to the current version of this condition are shown in magenta highlight.
8. 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.
9. Further details and background on these licence changes are set out in the following documents:
 - a. Statutory consultation for RIIO-ED2 Electricity Distribution licences;²
 - b. RIIO-2 informal licence drafting consultation for Electricity Distribution licences;³
 - c. RIIO-2 Draft determinations for Electricity Distribution;⁴ and
 - d. RIIO-2 Final Determinations for Electricity Distribution.⁵
10. 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 the Energy Licence Modification Appeals: Competition and Markets Authority Rules⁶ requires that the appellant must send to any relevant licence holders who are not

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

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

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

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

⁶ CMA70

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1113629/Energy_Rules.pdf

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', in relation to which see Annex 1.

Under the powers set out in section 11A(1)(a) of the Act, we hereby modify the Standard Conditions of the Electricity Distribution licence of the licensees in the manner specified on our website. 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>.

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Steve McMahon

Duly authorised on behalf of the
Gas and Electricity Markets Authority

3 February 2023

Annex 1: Relevant licence holders

Electricity Distribution
Eastern Power Networks Plc
Electricity North West Ltd.
London Power Networks Plc
National Grid Electricity Distribution (East Midlands) Plc
National Grid Electricity Distribution (South Wales) Plc
National Grid Electricity Distribution (South West) Plc
National Grid Electricity Distribution (West Midlands) Plc
Northern Powergrid (Northeast) Plc
Northern Powergrid (Yorkshire) Plc
Scottish Hydro Electric Power Distribution Plc
South Eastern Power Networks Plc
Southern Electric Power Distribution Plc
Sp Distribution Plc
Sp Manweb Plc
Electricity Distribution (Independent)
Eclipse Power Networks Ltd.
Energy Assets Networks Ltd.
Esp Electricity Ltd.
Fulcrum Electricity Assets Ltd.
Harlaxton Energy Networks Ltd.
Independent Power Networks Ltd.
Indigo Power Ltd.
Last Mile Electricity Ltd.
Leep Electricity Networks Ltd.
Mua Electricity Ltd.
Optimal Power Networks Ltd.
The Electricity Network Company Ltd.
Uk Power Distribution Ltd.
Utility Assets Ltd.
Vattenfall Networks Ltd.