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for energy consumers

To: Northern Powergrid (Yorkshire) Plc  
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Date: 12 April 2024

Dear Company Secretary,

**Notification of the Authority's decision in relation to Other Events under Paragraph 2D.35 (Other Events) of Part F (Adjustment of performance on quality of supply targets) of Special Condition CRC 2D: Adjustment of licensee's revenues to reflect interruptions-related quality of service performance, of the Distribution Licence in place for the 2022/23 Regulatory Year.**

Whereas

- 1 Northern Powergrid (Yorkshire) Plc (the "Licensee") 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 The Gas and Electricity Markets Authority (the "Authority" [1]) has considered all representations made by the Licensee and had regard to all relevant information and circumstances.
- 3 We write to notify you of our decision in relation to the claim for the other exceptional event under paragraph 2D.35 of CRC 2D. The reasons for this are set out below.

**31 October 2023**

SIGNED on 31 October 2023

**David McCrone**  
**Head of Quality of Service**  
**Duly authorised by the Authority**

## Annex 1

### Explanation of the Authority's reasons to issue a notification to reject under paragraph 2D.35 (Other Events) of Part F of Special Condition CRC 2D of the Licence

#### 1. Introduction

- 1 This part of the document sets out the reasons for the decision in relation to a notification under Paragraph 2D.35 (Other Events) of Part F of Special Condition CRC 2D of the Licence.
- 2 The structure of the rest of this document is as follows:
- (i) Section 2 sets out the claim submitted by the Licensee for consideration under Paragraph 2D.35 (Other Events) of Part F of Special Condition CRC 2D of the Licence; and
  - (ii) Section 3 sets out the Authority's analysis and decision on the claim.

#### 2. Exceptional event claims submitted by the Licensee for 2022/23

- 3 The Licensee notified the Authority during 2022/23 that it considered the event in Table 1 to have been exceptional (for the purposes of Paragraph 2D.35 (Other Events) of Part F of Special Condition CRC 2D) and to have affected its performance on quality of supply targets for the number [2] and duration of interruptions [3]. It claimed the adjustments shown in the table below:

**Table 1: 2022/23 exceptional event claims**

Date and event details	Claimed adjustments	Claimed adjustments
	Customers Interrupted (CIs)	Customer Minutes Lost (CMLs)
<b>Other Event One: 18 July 2022 (paragraph 2D.35 of Part F)</b>	0.62	2.28
<b>Total</b>	0.62	2.28

#### 3. Auditor's recommendations and Authority's decisions

- Other Event One: 18 July 2022
- 4 This was a claim for 0.62 CIs and 2.28 CMLs due to extreme heat.
- 5 The Authority appointed an Appropriate Auditor under Standard Condition 46 of the Licence to audit the claim.
- 6 The Auditor considers that the Licensee must have to demonstrate that the 71 HV faults submitted (the event) were a consequence of the Exceptional Event (the cause).
- 7 SLC 2D.34 Appendix 3, A3.1 states that the "occurrence of event" must be "a consequence of...A cause external to the licensee". The Auditor considers that in this exceptional event, extreme heat, NPgY has not demonstrated that all the HV faults were a consequence of the cause and does not meet the requirement of SLC 2D.34 Appendix 3, A3.1(a). That is, it is not sufficient to have a correlation, there is a need to demonstrate causation.
- 8 The Auditor reviewed the HV Faults submitted by NPgY and was of the view that only those with the cause description 'solar heat' and 'fire not from fault' could potentially relate to heat related causes. These cause descriptions were associated with 12 events.

- 9           The 12 events caused 7,404 customers interrupted and 1,561,343 customer minutes lost. This led to 0.32 CIs and 0.67 CMLs, neither of which exceed NPGY's CI and CML thresholds.
- 10          The Authority has reviewed the Auditor's findings and agree. Therefore, the Authority has decided not to make an adjustment to NPgY's data under paragraph 2D.35 of CRC 2D in respect of this claim, due to the CI and CML thresholds not being exceeded.

- [1] The terms "Ofgem", "the Authority", "we" and "us" are used interchangeably in this document.
- [2] Customers Interrupted (CIs) is the proportion of total customers whose supplies have been interrupted. This is calculated by summing the number of customers with an interruption of supply that lasted for three minutes or longer, multiplying by 100 and dividing by the total number of customers.
- [3] Customer Minutes Lost (CMLs) is a measure of the duration of interruptions to supply. It is the average customer minutes lost per customer, where an interruption of supply lasts for three minutes or longer.