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By email only to: [RIIOED2@ofgem.gov.uk](mailto:RIIOED2@ofgem.gov.uk)

26 August 2024

Dear Nathan

RIIO-ED2 Statutory Licence Consultation: Special Licence Condition 1.2 (Definitions and references to the Electricity Distributors) and 4.8 (Distribution System Operation (DSO) output delivery incentive)

Thank you for the opportunity to comment on the above statutory consultation, dated 29 July 2024. This response should be regarded as a consolidated response on behalf of UK Power Networks' affected distribution licence holding companies: Eastern Power Networks plc; London Power Networks plc; and South Eastern Power Networks plc.

UK Power Networks is supportive of the amendments proposed in this condition and provides the following feedback in respect of them:

1. Mindful of any cross-reference updates required in the DSO Governance Document, it may be less complex to not rename Part E & Part F (due to the removal of Part D), and for Part D to remain but with paragraphs 4.8.8 and 4.8.9 changed to state "Not Used". This allows all cross referencing to remain unchanged.
2. We seek clarity on the timeline to amend the following:
  - a. DSO Governance Document
  - b. the DSO RIGs template (Annex I)
  - c. the R5/5a tabs of the CVR pack (Annex B).

Revising these documents will enable the removal of any terms or clauses that are no longer relevant or applicable. Doing so can prevent errors, inconsistencies, or outdated information that might impact the correctness and efficacy of our calculations and submissions.

Whilst fully supportive of the licence changes you are consulting on, we reiterate our view that the price control framework would benefit from a suite of DSO metrics to provide a comprehensive assessment of licensees' performance. Given the growing importance of DSO capabilities in helping deliver the Net Zero transition at lowest cost to customers, we remain committed to working with you, stakeholders and wider industry to develop a robust suite of DSO metrics that can be implemented with confidence for the RII0-ED3 price control.

If you have any queries on our response, please contact Paul Measday or Sepair Zalmi in the first instance.

Yours sincerely



Basil Scarsella  
Chief Executive Officer  
UK Power Networks

