

By email:  
michael.smith@ofgem.gov.uk

23<sup>rd</sup> May 2025

Dear Michael,

**Re: Statutory consultation to modify the Price Control Financial Instruments and licence conditions for electricity and gas distribution and transmission**

We are pleased to enclose our response on behalf of SSEN Distribution<sup>1</sup> to Ofgem's Statutory consultation to modify the Price Control Financial Instruments and licence conditions for electricity and gas distribution and transmission. We are committed to working closely with Ofgem and the other Distribution Network Operators (DNOs) to improve the Price Control Financial Handbook (PCFH) and Price Control Financial Model (PCFM).

**PCFH modifications**

- Following review of the proposed modifications to the RIIO-ED2 PCFH, we believe the changes reflect the correction of errors/anomalies identified in the previous versions and removal of redundant inputs. These do not constitute significant modifications, and we therefore agree with the proposed modifications.

**PCFM modifications**

- There were no modifications for the RIIO-ED2 PCFM under this consultation.

**Special Licence Conditions**

- Proposed modifications to the Special Licence Conditions 1.2 and 9.8 on "Definitions and references to the Electricity Distributors", and "Tax Reconciliation assurance statement" reflect the corrections/updates that were previously agreed. We therefore agree with proposed modifications.

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<sup>1</sup> References to SSEN Distribution encompass the licensees entities Scottish Hydro Electric Power Distribution plc registered in Scotland No. SC213461 and Southern Electric Power Distribution plc registered in England & Wales No. 04094290.

## Standard Licence Conditions

- We have no objections to the proposed changes to the Standard Licence Condition 29, replacing the reference to “Regulatory Accounts” with “historical cost accounting statements” in relation to the de minimis threshold calculation.

Yours sincerely,

Matthew Miller  
Head of Regulatory Finance & Core Operations  
**SSEN Distribution**