

Michael Smith Regulatory Finance Team
Ofgem
10 South Colonnade
LONDON
E14 4PU

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

15th May 2025

Dear Michael

Proposal to modify the standard and special conditions of the Gas Transporter, Electricity Distribution and Electricity Transmission licence and the Price Control Financial Instruments (PCFIs) for RIIO-GD2, RIIO-GT2, RIIO-ED2 and RIIO-ET2

Licence conditions / documents to which our response pertains:

1. Electricity Distribution Special Condition 1.2 Definitions and references to the Electricity Distributors
2. Electricity Distribution Special Condition 9.8 Tax Reconciliation Assurance Statement
3. Electricity Standard Conditions 29 Restriction of activity and financial ring-fencing of the Distribution Business
4. RIIO-ED2 Price Control Financial Handbook

Thank you for the opportunity to comment on the above consultation, dated 25 April 2025. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc (EPN), London Power Networks plc (LPN), and South Eastern Power Networks plc (SPN).

We are supportive of the proposed changes to the conditions and handbook listed above, as they direct readers to the correct Annual Iteration Process guidance, ensure accurate submission dates, and offer a precise calculation method for the de minimis threshold using reliable audited data. We would like to clarify that we are not providing feedback on the modifications to the licence conditions or handbooks for electricity transmission or gas distribution and transmission.

We appreciate being included in the Price Control Financial Instruments working group, where modifications to the above licence conditions were introduced, and we look forward to continued collaboration with Ofgem.

Yours sincerely

Basil Scarsella
Chief Executive Officer
UK Power Networks

Copy: James Hope, Head of Regulation & Regulatory Finance – UK Power Networks