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By email only to: RIIOED2@ofgem.gov.uk

9 July 2026

Dear John

Statutory Consultation: RIIO-ED2 Load Related Expenditure Volume Drivers

Thank you for the opportunity to respond to the above statutory consultation, dated 11 June 2026.

This submission represents a consolidated response on behalf of UK Power Networks' distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc.

Our detailed comments on the proposed amendments to the electricity distribution Special Condition (SpC) 3.9 licence conditions, as well as the associated decision document, are set out in the appendix to this letter.

We welcome the continued engagement on this important area and look forward to the forthcoming consultation on the Load Related Expenditure Volume Drivers Governance Document.

Should you have any queries in relation to this response, please contact Jessica Melville in the first instance.

Yours sincerely



Basil Scarsella
Chief Executive Officer
UK Power Networks

Copy: Jessica Melville, Regulatory Finance Manager, UK Power Networks



Appendix

A – Clarity of Headers

The current wording of the header row of the table in Appendix 2 of SpC 3.9 (“Effective from”) is ambiguous and could be misinterpreted as applying to data prior to that date, or indicating the point from which the provisions take effect.

To improve clarity, we recommend aligning the presentation with regulatory years, as illustrated in the example LPN template below. This would provide greater transparency, ensure consistency with standard regulatory reporting conventions, and make the information easier for stakeholders to interpret.

LVSVD unit cost by activity type (£)					
Activity Delivered	23/24	24/25	25/26	26/27	27/28
LV Service (OHL)	450	450	450	1,870	1,870
LV Service (UG)	2,080	2,080	2,080	3,440	3,440
Cut Out (Metered)	390	390	390	390	390
Fuse Upgrades	160	160	160	160	160

B – Licence Condition Numbering

In the different Annexes in the Notice the licence condition number erroneously increase by three e.g. Annex 1 shows SpC 3.9, Annex 2 is numbered 6.9 and so on until Annex 6 which is numbered 18.9. The licence number should be 3.9 throughout.

C – Structure of Licence Edits Across DNOs (in appendix 2)

Appendix 2 of SpC 3.9 currently itemises licence changes separately for each licensee, while Appendix 3 consolidates Ex-Ante allowances and caps across all licensees (e.g. SRVD and LVSVD) within a single table. This results in duplication, with the same values being repeated across multiple licence entries.

To improve accessibility and reduce duplication, we recommend restructuring Appendix 2 so that the licence condition is consistent across all 14 licensees, with licensees instead directed to a single table (similar to Appendix 3) to identify their applicable values by row and column.

This approach would:

- Improve readability and reduce repetition;
- Ensure consistency across licence conditions (i.e. it is more consistent with other existing licence conditions); and
- Enable stakeholders to view and compare all licensees in one place.

An example of how this could look for our three licensees is set out below:

	LVSVD unit cost by activity type (£)					
	Activity Delivered	23/24	24/25	25/26	26/27	27/28
LPN	LV Service (OHL)	450	450	450	1,870	1,870
	LV Service (UG)	2,080	2,080	2,080	3,440	3,440
	Cut Out (Metered)	390	390	390	390	390
	Fuse Upgrades	160	160	160	160	160
SPN	LV Service (OHL)	370	370	370	1,550	1,550
	LV Service (UG)	1,730	1,730	1,730	2,850	2,850
	Cut Out (Metered)	320	320	320	320	320
	Fuse Upgrades	130	130	130	130	130
EPN	LV Service (OHL)	360	360	360	1,500	1,500
	LV Service (UG)	1,670	1,670	1,670	2,760	2,760
	Cut Out (Metered)	310	310	310	310	310
	Fuse Upgrades	130	130	130	130	130

D – Structure of Licence Edits Across DNOs (in Appendix 1)

The same logic should be applied to Appendix 1.

E – Error in value in Appendix 1

In Appendix 1 for Southern Electric the Type I (where $i=1$) value has an erroneous zero – it reads “£67,5800”. The value in the Southern Electric licence on Ofgem’s EPR is £67,580.

F – Decision Document: Review of RIIO-ED2 Load Related Expenditure volume drivers

We have set out our feedback below:

1. Paragraph S2.18 (Page 9)

The final word “why” appears in error at the end of the paragraph and should be removed.

2. Paragraph S2.24 Table 1 (Page 10)

EPN’s current UCI for overhead lines (OHL) is stated as £0.60k. This is incorrect; the correct value is £0.36k. The statutory consultation notice reflects the correct value of 0.36, however the value referenced above should be amended accordingly for consistency.

3. Paragraph 2.24 Table 2 (Page 11)

LPN’s current UCI for underground (UG) is stated as £1.73k. This is incorrect; the correct value is £2.08k. We note that the statutory consultation notice includes the correct value; however, the value referenced above should be amended accordingly for consistency.