

**To: Electricity North West Ltd (ENWL)  
Northern Powergrid (Northeast) Ltd (NPgN)  
Northern Powergrid (Yorkshire) plc (NPgY)  
London Power Networks plc (LPN)  
South Eastern Power Networks plc (SPN)  
Eastern Power Networks plc (EPN)  
SP Distribution plc (SPD)  
SP Manweb plc (SPMW)  
Scottish Hydro Electric Power Distribution plc (SSEH)  
Southern Electric Power Distribution plc (SSES)  
Western Power Distribution (West Midlands) plc (WMID)  
Western Power Distribution (East Midlands) plc (EMID)  
Western Power Distribution (South Wales) plc (SWALES)  
Western Power Distribution (South West) plc (SWEST)**

**Notice under Part C of Charge Restriction Condition (CRC) 2E (Incentive on Connections Engagement) to issue the Incentive on Connections Engagement Guidance document**

Each of the companies to whom this document is addressed is the holder of an electricity distribution licence granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 (the Act).

The Gas and Electricity Markets Authority (the "Authority") hereby gives Notice pursuant to Part C of Charge Restriction Conditions (CRC) 2E (Incentive on Connections Engagement) as follows:

1. The Authority proposes to issue the Incentive on Connections Engagement Guidance document ("guidance document").
2. The proposed guidance document text is attached as an associated document.
3. The reasons why the Authority proposes to introduce the Incentive on Connections Engagement are set out in various documents published on behalf of the Authority including:
  - Strategy decision for the RII0-ED1 electricity distribution price control - Outputs, incentives and innovation;<sup>1</sup> and
  - Incentive on Connections Engagement (ICE) Guidance Document consultation.<sup>2</sup>
4. The Authority proposes to issue the guidance document to provide guidance on what information we want licensees to submit and how we will assess performance.
5. The Authority proposes that the guidance document should take effect from 1 April 2015.
6. Any representations must be made in writing on or before 25 March 2015 to James Veaney on 0207 901 1861 or at Ofgem, 9 Millbank, Westminster, SW1P 3GE or via email to [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk).

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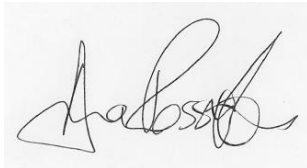
<sup>1</sup> RII0-ED1 Strategy Decision – Outputs, incentives and innovation, 4 March 2013

<https://www.ofgem.gov.uk/ofgem-publications/47068/riioed1decoutputsincentives.pdf>

<sup>2</sup> Incentive on Connections Engagement Guidance document consultation, 4 December 2014

<https://www.ofgem.gov.uk/publications-and-updates/incentive-connections-engagement-ice-guidance-document-consultation>

7. All representations will normally be published on Ofgem's website. However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website.
8. Any representations received will be duly considered.

A handwritten signature in black ink, appearing to read 'Anna Rossington', is shown on a light grey background.

**Anna Rossington**

**Associate Partner – RIIO-ED1**

Duly authorised on behalf of the Gas and Electricity Markets Authority  
25 February 2015

## **Annex – the proposed Incentive on Connections Engagement Guidance**

Attached as an associated document.