

The Company Secretary

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Date: 27 March 2015

Direction issued to [Licensee name] by the Gas and Electricity Markets Authority pursuant to paragraph 2 of Standard Condition 24 (Distribution system planning standard and quality of performance reporting) of the Electricity Distribution Licence

1. This Direction is issued by the Gas and Electricity Markets Authority (the "Authority")¹ pursuant to standard licence condition ("SLC") 24.2 of the Electricity Distribution Licence (the "Licence"), treated as granted under section 6(1)(c) of the Electricity Act 1989 (the "Act"), to [Licensee name] (the "Licensee").
2. SLC 24.2 of the Licence provides that we may issue a direction relieving the Licensee of its obligation under SLC 24.1 of the Licence in respect of such parts of the Licensee's distribution system and to such extent as may be specified in the direction.
3. Subject to paragraphs 4, 5 and 6 of this Direction, we direct, pursuant to SLC 24.2 of the Licence, that the Licensee is relieved of its obligation under paragraph 1 of SLC 24 of the Licence to plan and develop its distribution system in accordance with a standard not less than that set out in Table 1 of Engineering Recommendation P2/6 of the Energy Networks Association. This is an extension to the previous derogation in effect from March 2007 until 31 March 2015.
4. This Direction applies where a temporary compliance issue in relation to the Licensee's distribution system is caused by a change to the Group Demand² and the Licensee would not reasonably be expected to have:
 - predicted the change to the Group Demand on that section of its distribution system which resulted in the compliance issue;

¹ The terms "Ofgem", "the Authority", "we" and "us" are used interchangeably in this document.

² "Group Demand" being as defined in Engineering Recommendation P2/6, specifically: "DNO's estimate of the maximum demand of the group being assessed for ER P2/6 compliance with appropriate allowance for diversity. The Group Demand at grid supply points must be consistent with the demand data submitted to a transmission company under the terms of the GB Grid Code".

- identified and evaluated possible design solution options in time to address the compliance issue;
 - secured financial provision for its preferred design solution option in time to address the compliance issue; or
 - implemented its preferred design solution option in time to maintain compliance.
5. This Direction applies in respect of the Licensee's distribution system except those parts:
- where the Group Demand is more than 60MW;
 - which include interconnection with another licensee's distribution or transmission system(s);
 - where the effect of a compliance issue would reduce the security afforded to one or more customers, who have special security of supply requirements in order to manage safety hazards at the customer's site, to a level below that which has been contractually agreed between the Licensee and the customer(s); or
 - where the Licensee has a specific derogation for the compliance issue.
6. This Direction applies in respect of temporary compliance issues that the Licensee has identified on the Licensee's distribution system, subject to the Licensee:
- taking all reasonable measures at all times to mitigate the consequences of a part of its distribution network not meeting the recommended normal level of security required by SLC 24;
 - actively identifying, evaluating and progressing solutions to restore compliance with SLC 24.1(a) in a timely manner; and
 - maintaining records of any identified non-compliance with SLC 24.1(a) and the actions taken to investigate and remedy such non-compliance issues, at least until compliance is restored, such records to be made available to the Authority at its reasonable request.
7. This Direction shall have effect from and including 1 April 2015 and shall remain in effect up to and including 31 March 2018 or such other time as we revoke or vary the Direction in writing upon reasonable notice.

Dated: 27 March 2015



Andrew Burgess
Associate Partner, Transmission and Distribution Policy
Authorised for that purpose by the Authority