

**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)**

**Direction 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).

In accordance with Part C of Charge Restriction Condition (CRC) 2E (Incentive on Connections Engagement) the Authority gave notice on 25 February 2015 ("the Notice") that it proposed to issue the Incentive on Connections Engagement Guidance Document ("ICE Guidance Document"). The Notice required any representations to the modifications to be made on or before 25 March 2015.

Prior to the close of the consultation period in respect of the Notice, the Authority received two responses. All non-confidential responses have been placed on the Ofgem website.

The Authority has carefully considered all representations received. Our responses to these representations are attached at Annex 1 to this modification.

**Now therefore**

In accordance with the powers under Part C of CRC 2E, the Authority hereby issues the ICE Guidance Document as contained in Annex 2. This decision will take effect on and from 1 April 2015.

This document constitutes a direction issued by the Authority under paragraph 2E.15 of CRC 2E.

**Anna Rossington**

**Associate Partner – RIIO-ED1**

Duly authorised on behalf of the Gas and Electricity Markets Authority  
1 April 2015

## **Annex 1 – Responses to the representations received**

- To improve clarity one DNO proposed adding “and apply a pass or fail criteria to each segment” to the end of paragraph 5.1 (b). We amended this paragraph accordingly.
- One DNO proposed deleting the reference to connection volumes in paragraph 2.2 because the table does not specify connection volumes. We amended this paragraph accordingly.
- To improve clarity one DNO proposed adding “a Looking Forward section and a Looking Back section” to the end of paragraph 3.2. We amended this paragraph accordingly.
- One DNO proposed replacing “this process” in paragraph 6.7 with “the publication of a workplan and an ICE submission”. We amended this paragraph accordingly.
- Another respondent suggested introducing a page limit. This respondent considered that without a page limit we risked stakeholders not engaging with the ICE assessment process. We consider that in the document we are clear that “consideration should be given to the purpose and audience of the submission” (paragraph 6.4) and that “ICE submissions should be easy to read for all stakeholders” (paragraph 6.5). We also intend to consult on the submissions. If stakeholders are unhappy with the length of the documents produced then they will have the opportunity to tell us about it. We therefore did not amend the ICE Guidance Document.

## **Annex 2 – the Incentive on Connections Engagement Guidance Document**

Attached as an associated document.