

**To: Electricity North West Ltd (ENWL)  
Northern Powergrid (Northeast) Ltd (NPgN)  
Northern Powergrid (Yorkshire) plc (NPgY)  
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)  
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)**

**Electricity Act 1989  
Section 11A(2)**

**Notice of statutory consultation on a proposal to modify the special conditions  
of electricity distribution licence held by the above licensees**

1. The Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> proposes to modify the special conditions of the electricity distribution licence held by the above specified licencees and granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 by amending Charge Restriction Condition 3A (Legacy price control adjustments) and the associated Part 3 of the RII0-ED1 Price Control Financial Handbook.
2. We are proposing these modifications to incorporate methodologies enabling us to close out Distribution Price Control Review 5 (DPCR5) .
3. The effect of the proposed modifications is to provide a process for assessing company performance under specific schemes during DPCR5(2010-2015), and where appropriate, adjusting licensees' revenues accordingly.
4. A copy of the proposed modifications and other documents referred to in this Notice have been published on our website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)). Alternatively, they are available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).
5. Any representations with respect to the proposed licence modification must be made on or before 18 July 2016 to: Grant McEachran, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to [RIIO.ED1@ofgem.gov.uk](mailto:RIIO.ED1@ofgem.gov.uk) .
6. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.

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<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

7. If we decide to make the proposed modification, it will take effect not less than 56 days after the decision is published.

**Kersti Berge**

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**Partner, RIIO Networks**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**20 June 2016**