



Making a positive difference
for energy consumers

To: Electricity Distribution
Network Operators; interested
stakeholders

Email: RIIO.ED1@ofgem.gov.uk

Date: 3 March 2017

Dear Company Secretaries and stakeholders,

Proposal to make modifications to the Regulatory Instructions and Guidance

We propose to make changes to the Electricity Distribution Regulatory Instructions and Guidance (RIGs). These modifications are made for the purpose of clarifying the existing reporting requirements rather than introducing new requirements. Please find enclosed a Notice, issued pursuant to Part C of Standard Licence Condition 46, regarding our proposed changes.

If we implement these changes, they will take effect from 1 April 2017. For the avoidance of doubt, this means that the data submitted in July 2017 (in respect of the 2016/17 reporting year) would use the RIGs as modified.

We will continue to review all opportunities to improve both the efficiency and effectiveness of the annual reporting process across all four RIIO sectors. Short term this may include scope for further improvements that can be made within the boundaries of existing data systems architecture and in a manner consistent with the proposals set out today. Longer term this may extend to more fundamental changes to the way we collect, process and present data on regulated network companies' performance, moving towards the goal of a more automated and user-friendly system and process.

We are aware that many companies are actively considering improvements to their own systems which could support this. Accordingly, for both short and longer term changes, we will work closely with network companies to consider any changes before they are introduced. This may include pilot reporting schemes and/or other initiatives that could be taken forward on a partnership basis. We will provide further details on such opportunities as our plans develop.

We welcome comments on our proposed modifications, and the details for responding are contained in the enclosed Notice.

Yours faithfully,

Grant McEachran
Head of RIIO Electricity Distribution
3 March 2017

**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 Standard Licence Condition 46 (Regulatory Instructions and Guidance) of the Electricity Distribution Licence of proposed modifications to the Regulatory Instructions and Guidance

1. Each of the companies to whom this Notice is addressed (together the "licensees") is the holder of an electricity distribution licence (the "licence") granted or treated as granted under section 6(1)(c) of the Electricity Act 1989.
2. The Gas and Electricity Markets Authority (the "Authority"¹) proposes to modify the Regulatory Instructions and Guidance (the "RIGs") under Standard Licence Condition ("SLC") 46 of the licence. The RIGs are the primary means by which the Authority directs the licensees to collect and provide information to the Authority, to enable it to administer the Charge Restriction Conditions (CRCs) of the licence and, where not referenced in the licence, the RIIO-ED1 Final Proposals².
3. Part C of SLC46 sets out the process for issuing and modifying the RIGs. In accordance with SLC 46.10, the Authority hereby gives notice to the licensees that it proposes to modify the RIGs in the manner indicated in the documents that can be accessed via the hyperlinks in Appendix 1 and Appendix 2 to this Notice.
4. The Authority proposes that these modifications should take effect on 1 April 2017.
5. The proposed modifications to the RIGs consist of new tables and revisions to existing tables. These modifications are made for the purpose of clarifying the existing reporting requirements rather than introducing new requirements. The purpose of the proposed modifications is to require the licensees to provide more accurate, consistent and complete information to the Authority, such as to enhance the quality and the accuracy of the information available to the Authority.
6. Appendix 1 to this Notice provides a link to the following documents, which show the proposed modifications as incorporated:
 - (a) RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance: Version 3.0
 - (b) RIIO-ED1 Electricity Distribution Reporting Pack Templates: Version 3.0
 - (c) RIIO-ED1 Electricity Distribution Commentary: Version 3.0

¹ The "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

² <https://www.ofgem.gov.uk/network-regulation-riio-model/riio-ed1-price-control>

7. Appendix 2 to this Notice provides a link to an Issues Log, which details the various proposed modifications.
8. Copies of this Notice and other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).
9. Any representations on the proposed modifications must be made on or before 1 April 2017 to Louise Deighan at Ofgem, 3rd Floor, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA, or by email to louise.deighan@ofgem.gov.uk.
10. All responses will normally be published on our website. However, if you do not wish your response to be made public then you should clearly mark your response as not for publication. We prefer to receive responses in an electronic form so that they can be published easily on our website.

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Grant McEachran
Head of RIIO Electricity Distribution
Duly authorised on behalf of the Authority

3 March 2017

Appendix 1: Regulatory Instructions and Guidance incorporating proposed modifications

A copy of the proposed RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance: Version 3.0, proposed RIIO-ED1 Electricity Distribution Reporting Pack Templates: Version 3.0 and proposed RIIO-ED1 Electricity Distribution Commentary: Version 3.0 can be found on our website at:

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1-version-3-0>

Appendix 2 : Proposed modifications to the Regulatory Instructions and Guidance

A log of all proposed modifications can be found on our website at:

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-rrio-ed1-version-3-0>