

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

Whereas –

1. Each of the companies to whom this Direction 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 (the Act).
2. The Gas and Electricity Markets Authority (“the Authority”¹) gave Notice² on 3 March 2017 (“the Notice”) that it proposed to make changes to the regulatory instructions and guidance (“RIGs”). The Notice required any representations on the proposals to be made on or before 1 April 2017.
3. Prior to the consultation period closing the Authority received 6 responses. All non-confidential responses are published on our website. Our response to these comments is set out in Appendix 1³.
4. Appendix 2 to this Direction provides a link to the following documents, which incorporate modifications made in light of consultation responses:
 - (a) RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance: Version 3.0
 - (b) RIIO-ED1 Electricity Distribution RIGs Reporting Pack Templates: Version 3.0
 - (c) RIIO-ED1 Electricity Distribution Commentary: Version 3.0
5. In Appendix 2, the modifications set out in the Notice for the Regulatory Instructions and Guidance and the Commentary are shown in red underlined font; the additional modifications resulting from the consultation are shown in red underlined font and yellow highlight. Modifications to the RIGs Reporting Pack Templates are noted in the “changes log” tab of each pack.

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/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1-version-3-0>

³ Appendix 1 shows the modifications as set out in the consultation. It also includes responses to the consultation and our decision.

6. All RIGs Reporting Pack Templates, Regulatory Instructions and Guidance documents and Commentaries have been updated to Version 3.0 for consistency, including the documents to which no modifications have been made. For clarity, only changes stated in Appendix 1 have been made.
7. The amendments to the RIGs will take effect on and from 1 April 2017. Data submitted in respect of the 2016/17 reporting years should use the RIGs as modified. Based on the updated RIGs, we expect licensees to re-state data for 2015/16 to ensure consistency, if required. Business Carbon Footprint (BCF) data entered in table E3 of Annex J should be restated for years 2014/15 and 2015/16 in line with the updated requirements within Annex J.

Now therefore –

8. In accordance with the powers under Part C of Standard Condition 46, the Authority hereby issues the modified RIGs in the form specified in the documents that can be accessed via the hyperlink in Appendix 2. Licensees are required to report in accordance with these modified RIGs for the purpose of regulatory reporting.
9. This document constitutes a direction issued by the Authority under paragraph 46.9 of Standard Condition 46 and provides notice under section 49A of the Act.

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Steven McMahon
Associate Partner, RIIO Electricity
Duly authorised on behalf of the Authority
20 – April - 2017

Appendix 1: Response to representations and reasons for any differences between the proposed RIGs in the Notice and those in this Direction

On 3 March 2017, we published our Notice proposing modifications to the RIIO-ED1 RIGs. Stakeholders' comments and our response to the issues raised are in the issues log found here:

<https://www.ofgem.gov.uk/publications-and-updates/direction-make-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1-version-30>

Appendix 2: RIIO-ED1 RIGs Version 3.0

The RIIO-ED1 RIGs Version 3.0 are available on the Authority's website at:

<https://www.ofgem.gov.uk/publications-and-updates/direction-make-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1-version-30>