



Making a positive difference  
for energy consumers

To: Electricity Distribution  
Network Operators; interested  
stakeholders

Email: [RIIO.ED1@ofgem.gov.uk](mailto:RIIO.ED1@ofgem.gov.uk)

Date: 16 February 2018

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 largely made for the purpose of clarifying the existing reporting requirements. However the modifications do also introduce new elements following a pilot in 2017 of the Strategic Performance Overview (SPO). 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 2018. For the avoidance of doubt, this means that the data submitted in July 2018 (in respect of the 2017/18 reporting year) would use the RIGs as modified.

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

Yours faithfully,

**Steven McMahon**  
**Associate Partner, RIIO Networks, Electricity**  
**16 February 2018**

**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"<sup>1</sup>) 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 CRCs of the licence, the RIIO-ED1 Final Determination<sup>2</sup>.
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 2018.
5. The proposed modifications to the RIGs consist of: new tables; revisions to existing tables; new commentary (including revised narrative structure for the Strategic Performance Overview); removal of commentary; and revisions to existing commentary. These modifications are made for the purpose of clarifying the existing reporting requirements on the licensees and providing greater insight into the performance under RIIO-ED1. The effect of the proposed modifications will be to require the licensees to provide more accurate, consistent and complete information to the Authority to enhance the quality and the accuracy of the information available to the Authority.
6. Appendix 1 to this Notice provides a link to documents, which show the proposed modifications as incorporated:
  - (a) RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance
  - (b) RIIO-ED1 Electricity Distribution Reporting Pack Templates

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<sup>1</sup> 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.

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

(c) RIIO-ED1 Electricity Distribution Commentary

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](http://www.ofgem.gov.uk)).
9. Any representations on the proposed modifications must be made on or before 19 March 2018 to Louise Deighan at Ofgem, Commonwealth House, 3rd Floor, 32 Albion Street, Glasgow, G1 1LH, or by email to [louise.deighan@ofgem.gov.uk](mailto: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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**Steven McMahon**  
**Associate Partner, RIIO Networks, Electricity**  
**Duly authorised on behalf of the Authority**

**16 February 2018**

## **Appendix 1: Regulatory Instructions and Guidance incorporating proposed modifications**

A copy of the proposed RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance, proposed RIIO-ED1 Electricity Distribution Reporting Pack Templates and proposed RIIO-ED1 Electricity Distribution Commentary 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-40>

## **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-40>