

**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 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 8 March 2019 (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 5 April 2019.
3. Prior to the consultation period closing the Authority received 6 responses. All non-confidential responses are published on our website and can be found in the link in Appendix 1. Our response to these comments is set out in Appendix 2³.
4. Appendix 2 to this Direction also provides a link to the following documents⁴, which incorporate all the modifications, including those made in light of consultation responses:
 - (a) RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance
 - (b) RIIO-ED1 Electricity Distribution RIGs Reporting Pack Templates

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-50>

³ Appendix 2 shows the modifications as set out in the consultation. It also includes responses to the consultation and our decision.

⁴ The RIGs documents issued as part of this Direction do not include the Regulatory Financial Performance Reporting (RFPR) Guidance document or the associated RFPR Reporting Pack Template. We will make a decision on these documents separately in due course.

(c) RIIO-ED1 Electricity Distribution Commentaries

5. In Appendix 2, the modifications to the RIGs Guidance Documents and Commentaries set out in the Notice 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.
6. All RIGs Reporting Pack Templates, RIGs Guidance Documents and Commentaries that have been issued as part of this Direction have been updated to Version 5.0 for consistency, including the documents to which no modifications have been made. For clarity, only the changes stated in Appendix 2 have been made.
7. Unless otherwise stated in the RIGs, the amendments to the RIGs took effect on 1 April 2019. Data submitted in respect of the 2018/19 reporting years should use the RIGs as modified.

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 notice of the Authority's decision for the purposes of section 49A of the Act.

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Steven McMahon
Deputy Director RIIO Electricity Distribution and Cross Sector
Duly authorised on behalf of the Authority
18 April 2019

Appendix 1: Stakeholder representations

On 8 March 2019, we published our Notice proposing modifications to the RIIO-ED1 RIGs. Responses to this Notice can be found here:

<https://www.ofgem.gov.uk/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1-version-50>

Appendix 2: Response to representations and the RIIO-ED1 RIGs Version 5.0

Our response to stakeholder representations and reasons for any differences between the proposed RIGs in the Notice and those in this Direction are in the issues log found in the link below. The RIIO-ED1 RIGs Version 5.0 are also available on the Authority's website⁵ at:

<https://www.ofgem.gov.uk/publications-and-updates/direction-make-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1-version-50>

⁵ The RIGs documents issued as part of this Direction do not include the Regulatory Financial Performance Reporting (RFPR) Guidance document or the associated RFPR Reporting Pack Template. We will make a decision on these documents separately in due course.