

To all holders of an electricity  
distribution licence, the  
Distribution Code Review Panel,  
other interested parties

Direct Dial: 020 3263 2788  
Email: bryan.oneill@ofgem.gov.uk

Date: 14 June 2019

Dear Colleagues.

### **Decision to modify Standard Condition 24 of the electricity distribution licence**

This letter sets out our decision to modify Standard Licence Condition 24 (Distribution System planning standard and quality of performance reporting) (SLC 24) of the electricity distribution licence.<sup>1</sup>

On 2 April 2019, we published a statutory consultation notice<sup>2</sup> of our proposal to modify SLC 24. We proposed to modify SLC 24 in order to update the reference therein to Engineering Recommendation (ER) P2/6 of the Energy Networks Association to ER P2/7. We also proposed to introduce the ability for the Authority to direct the licensee to comply with any subsequent version of P2.

We received four responses to our statutory notice that we have considered. These are available on our website. All responses were supportive. One response proposed amendments to the legal text, removing the references to the specific version of P2/7, which we have not adopted. The inclusion of P2/7 specifically, removes the risk of old versions of P2 being directed in the future. SSE's proposed drafting does not consider this risk. Following consideration of the responses received, we have decided to modify SLC 24 in the manner set out in the decision notice published alongside this letter.

Alongside this decision we are also publishing our decisions to approve DCRP 18/03 – Revision of Engineering Recommendation P2/6 and DCRP/19/02 Revision of Engineering Report (EREP) 130 - Guidance on the application of P2, Security of Supply, which proposed modifications to the Distribution Code. DCRP 18/03 and DCRP/19/02 concern the security of supply planning standards and the contribution to network security from network and non-network assets. As we have approved DCRP 18/03 the Distribution Code will now refer to ER P2/7 with regards to system planning for security of supply.

---

<sup>1</sup> [https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Distribution%20Consolidated%20Standard%20Licence%20Conditions%20%20-%20Current%20Version.pdf?utm\\_source=ofgem&utm\\_medium=&utm\\_term=&utm\\_content=licencecondition&utm\\_campaign=epr](https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Distribution%20Consolidated%20Standard%20Licence%20Conditions%20%20-%20Current%20Version.pdf?utm_source=ofgem&utm_medium=&utm_term=&utm_content=licencecondition&utm_campaign=epr)

<sup>2</sup> <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-standard-licence-condition-24-electricity-distribution-licence>

Without modifying SLC24 to refer to this new version of P2, the code and licence will be misaligned when considering security of supply. For this reason, we have decided to modify SLC 24 to require the licensee to plan and develop its distribution system in accordance with a standard not less than P 2/7. This change will ensure consistency between the Distribution Code obligations and the electricity distribution licence.

This decision also introduces a power for the Authority to direct the future P2 issue number with which the licensee must comply. We anticipate we will issue any such direction at the same time as we publish any decision to approve a future issue of P2.

The modifications to SLC 24 will come into effect on 10 August 2019, which is the same implementation date as DCRP 18/03 and DCRP/19/02.

Yours faithfully,  
Peter Bingham  
Chief Engineer