

**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)**

**Electricity Act 1989  
Section 11A(2)**

**Notice of statutory consultation on a proposal to modify the special conditions of the electricity distribution licences held by the licensees above**

1. The Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> proposes to modify the special conditions of the electricity distribution licence held by each of the above licensees granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 by amending minor errors in Charge Restriction Conditions 2A, 3A, 3E, 3F, 5B, 5D, 5G.
2. We are proposing these modifications to correct minor corrections and typographical errors within the licence. Specifically, the amendments to 3F are to remove provisions which are not relevant to the licensee stipulated at the start of the condition. Another amendment to 5D.18 (b) is due to potential unintended consequences from the current drafting. The condition, prior to amendments, could have been interpreted to read that changes to the methodology which don't change the scope in and out of asset replacement and refurbishment aren't factored into the test of 'equally challenging', therefore causing rebasing to not work correctly.
3. The effect of all the proposed modifications is to improve readability and useability of the licence.
4. We are reissuing the Network Asset Workbooks under CRC5D for SSEH, SSES, LPN, SPN and EPN to correct formulae errors and to correctly reflect the split of outputs for asset replacement and load related high value projects respectively.
5. The proposed modifications to the Charge Restriction Conditions are set out in Schedule 1 of this notice and the two reissued Network Asset Workbooks are set out in Schedule 2.
6. A copy of the proposed modifications and other documents referred to in this Notice have been published on our website ([www.ofgem.gov.uk](http://www.ofgem.gov.uk)). Alternatively they are available from our Research and Information Centre, 9 Millbank, London, SW1P 3GE (020 7901 7003).
7. Any representations with respect to the proposed licence modifications must be made on or before 11 January 2016 to: Tessa Quinton, Office of Gas and Electricity Markets, 3rd Floor, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA, or by email to [Tessa.Quinton@ofgem.gov.uk](mailto:Tessa.Quinton@ofgem.gov.uk).
8. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We

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<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

prefer to receive responses in an electronic form so they can be placed easily on our website.

9. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

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**Anna Rossington, Associate Partner, Duly authorised on behalf of the  
Gas and Electricity Markets Authority** **09/12/15**

## **Schedule 1: Modifications to the special conditions of the electricity distribution licences held by the licensees above**

A copy of the modifications to the special conditions can be found on our website at:

<https://www.ofgem.gov.uk/publications-and-updates/riio-ed1-consultation-minor-modifications-special-conditions-slow-track-electricity-distribution-licences>

**Schedule 2: Reissue of Network Asset Workbooks for SSEH, SSES, LPN, EPN and SPN under the electricity distribution licences held by these licensees**

A copy of reissued Network Asset Workbooks can be found on our website at:

<https://www.ofgem.gov.uk/publications-and-updates/riio-ed1-consultation-minor-modifications-special-conditions-slow-track-electricity-distribution-licences>