



Making a positive difference
for energy consumers

To: Electricity Distribution
Network Operators; interested
stakeholders

Email: RIIO.ED1@ofgem.gov.uk

Date: 23 February 2016

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 made for the purpose of clarifying the existing reporting requirements rather than introducing new requirements. Please find attached a Notice, issued pursuant to Part C of Standard Licence Condition 46, detailing our proposed changes.

If we implement these changes, they would take effect from 1 April 2016. For the avoidance of doubt, this means that the data submitted in July 2016 (in respect of the 2015/16 reporting year) would use the RIGs as modified.

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

We also take this opportunity, following a request from a number of DNOs, to provide clarity on the question of when forecasting is currently required within the RIGs. There are three areas where the Licensees are required to provide forecast information:

- Table M16 'Forecasts' in Annex B – Costs and Volumes
- Table F3 'Financing Requirements' in Annex C - Financial Issues
- Tables E4 'Losses Snapshot' and E6 'Innovative Solutions' in Annex J – Environment and Innovation

Yours faithfully,

Paul Branston
Associate Partner, RIIO Networks
23 February 2016

**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 (each the "licensee") 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"¹) 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 licence, the RIIO-ED1 Final Proposals².
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 Appendix 2 to this Notice.
4. The Authority proposes that these modifications should take effect on 1 April 2016.
5. The proposed modifications to the RIGs consist of new tables and revisions to existing tables. These modifications are made for the purpose of clarifying the existing reporting requirements rather than introducing new requirements. The purpose of the proposed modifications is to require the licensees to provide more accurate, consistent and complete information to the Authority, such as to enhance the quality and the accuracy of the information available to the Authority.
6. Further, we propose to introduce a new summary sheet in the RIGs. This sheet pulls together information on the licensee's performance under outputs, as well as general information such as customer network length. We propose that this sheet be published as part of the licensee's Business Plan Commitment Reporting under SLC 50. We are consulting on this change in parallel to these proposed changes to the RIGs.³
7. Appendix 1 to this Notice provides a link to the following documents, which show the proposed modifications as incorporated:

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/network-regulation-riio-model/riio-ed1-price-control>

³ <https://www.ofgem.gov.uk/publications-and-updates/proposal-issue-business-plan-commitment-reporting-guidance>

- (a) RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance: Version 2.0
- (b) RIIO-ED1 Electricity Distribution Reporting Pack Templates: Version 2.0
8. Appendix 2 to this Notice provides a link to an Issues Log, which details the various proposed modifications.
 9. Copies of this Notice and other documents referred to in it are available on the Ofgem website (www.ofgem.gov.uk).
 10. Any representations on the proposed modifications must be made on or before 22 March 2016 to Louise Deighan at Ofgem, 3rd Floor, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA, or by email to louise.deighan@ofgem.gov.uk.
 11. 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.

.....
Paul Branston
Associate Partner, RIIO Networks
Duly authorised on behalf of the Authority

23 February 2016

Appendix 1: Regulatory Instructions and Guidance incorporating proposed modifications

A copy of the proposed RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance: Version 2.0 and proposed RIIO-ED1 Electricity Distribution Reporting Pack Templates: Version 2.0 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>

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-riio-ed1>