

**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 Licence 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 (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”<sup>1</sup>) gave Notice<sup>2</sup> on 23 February 2016 (“the Notice”) that it proposed to make changes to the regulatory instructions and guidance (“RIGs”). The Notice required any representations to the proposals to be made on or before 22 March 2016.
3. Prior to the consultation period closing the Authority received 6 responses. All non-confidential responses are published on our website. Our response to these comments is set out in Appendix 1.
4. Appendix 2 to this Direction provides a link to the following documents, which incorporate modifications made in light of consultation responses:
  - (a) RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance: Version 2.0
  - (b) RIIO-ED1 Electricity Distribution RIGs Reporting Pack Templates: Version 2.0
5. In Appendix 2, the modifications set out in the Notice for the Regulatory Instructions and Guidance 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 and Regulatory Instructions and Guidance documents have been updated to Version 2.0 for consistency, including the documents to which no modifications have been made. No changes have been made to the Commentaries, however, they also have been updated to Version 2.0. For clarity, only changes stated in Appendix 1 have been made.

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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/publications-and-updates/notice-proposing-modifications-regulatory-instructions-and-guidance-rigs-riio-ed1>

**Now therefore –**

7. In accordance with the powers under Part C of Standard Condition 46, the Authority hereby issues the modified Regulatory Instructions and Guidance in the form specified in Appendix 2. This decision will take effect on and from 1 April 2016. Licensees are required to report in accordance with these modified Regulatory Instructions and Guidance and RIGs Reporting Pack Templates for the purpose of regulatory reporting.
8. This document constitutes a direction issued by the Authority under paragraph 46.9 of Standard Condition 46.

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**Kersti Berge**  
**Partner, Networks**  
**Duly authorised on behalf of the Authority**  
**31 March 2016**

## **Appendix 1: Response to representations and reasons for any differences between the proposed RIIO-ED1 RIGs in the Notice and those set out in this Direction**

On 23 February 2016 we published our Notice proposing modifications to the RIIO-ED1 RIGs. Stakeholders comments and our response to the issues raised are in the issues log found here:

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

## **Appendix 2 : RIIO-ED1 RIGs Version 2.0**

The RIIO-ED1 RIGs Version 2.0 are available on the Authority's website at:

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