

**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)**

(the “Licensees”)

Direction under Part C of Standard Condition 46 (Regulatory Instructions and Guidance) (“SLC 46”) of the Electricity Distribution Licence granted to the Licensees under section 6(1)(c) of the Electricity Act 1989

and

Direction granting a derogation from SLC 46 of the Electricity Distribution Licence in relation to the submission deadline for the 2019-20 regulatory reporting packs

Whereas –

1. The Licensees each hold an Electricity Distribution Licence (the “Licence”) granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 (the “Act”) and is subject to the conditions contained in the Licence.
2. The RIIO-ED1 Electricity Distribution Price Control – Regulatory Instructions and Guidance (“the RIGs”) are the primary means by which the Gas and Electricity Markets Authority (the “Authority”¹) directs the Licensees to provide information required by the Authority to administer the Charge Restriction Conditions (and such standard conditions as may be relevant) of the Licence, and, where not referenced in the Charge Restriction Conditions of the Licence, the RIIO-ED1 Final Determination.
3. In accordance with paragraph 46.10 of SLC 46, the Authority gave Notice² on 9 March 2020 (the “Notice”) that it proposed to modify the RIGs.
4. The Notice invited any representations on the proposed modifications on or before 6 April 2020. The Authority received six responses. All non-confidential responses are published on our website and can be found in the link in Appendix 1. In accordance with paragraph 46.10(e) of SLC 46, the Authority has considered the

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>

representations submitted, and made a small number of changes to the modifications proposed to the RIGs proposed in the Notice. Our responses to the comments received are set out in Appendix 2³.

5. 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
 - (c) RIIO-ED1 Electricity Distribution Commentaries
6. In Appendix 2, the modifications to the RIGs Guidance Documents and Commentaries ((a) and (c) above) 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 ((b) above) are noted in the “changes log” tab of each pack.
7. Aside from Annex F of the RIGs Guidance and the Guaranteed Standards of Performance Reporting Pack Template, all other RIGs Reporting Pack Templates, RIGs Guidance Documents and Commentaries that have been issued as part of this Direction have been updated to version 6.0 for consistency, including the documents to which no modifications have been made. For the avoidance of doubt, only the changes stated in Appendix 2 have been made.
8. With regards to Annex F of the RIGs Guidance, we are consulting separately on changes to Chapter 3 (Guidance on the guaranteed standards of performance), as well as the corresponding template (Guaranteed Standards of Performance Reporting Pack). We will update Annex F to version 6.0 after the conclusion of that consultation.
9. Unless otherwise stated in the RIGs, the modifications apply to information required in terms of the RIGs for the reporting year 1 April 2019 to 31 March 2020.

Extension of the deadline for submission of information

10. We have published information for energy licensees on our response to Covid-19⁵. We want the energy industry to prioritise and protect consumers’ interests throughout the pandemic. As part of our response we have engaged in discussions with the Licensees around how we can assist them to do that.

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.

⁵ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-information-energy-licensees-coronavirus-covid-19-response>

11. As part of those discussions, a number of potential derogations have been identified by Licensees for consideration; one of those considerations was for a derogation from the submission deadline for several regulatory reporting packs in Table 2.1 of the Overview chapter of the RIGs. The deadline is specified in the RIGs further to paragraph 46.3(b) of SLC 46, which requires the licensee to provide such information to the Authority in respect of such periods and within such timescales as are specified in the RIGs. That deadline for the reporting packs specified below is currently specified as 31 July each year. The suggested derogation under paragraph 46.21 of SLC 46 would allow the 2019/2020 regulatory reporting packs due for submission on 31 July 2020 to be submitted by 31 August 2020.
12. The relevant reporting packs in Table 2.1 of the Overview chapter of the RIGs are:
 - (a) Costs and Volumes
 - (b) Revenue
 - (c) Secondary Deliverables
 - (d) Guaranteed Standards of Performance
 - (e) Occurrences Not Incentivised
 - (f) Connections
 - (g) Connections Guaranteed Standards (SLC 15A)
 - (h) SLC 12 and 15
 - (i) Customer Service
 - (j) Environment and Innovation
 - (k) RFPR Template
13. The Authority has decided to grant a derogation as follows: for the reporting year 2019/2020 the relevant deadline for the reporting packs in Table 2.1 of the Overview chapter of the ED-1 RIGs, as listed in paragraph 12 above, is extended from 31 July 2020 to 31 August 2020.
14. We consider that extending the deadline for submission of the RIGs information will provide the Licensees with the additional flexibility required to manage their resources in the way that best protects and prioritises consumers' interests at this time. For that reason, we have decided to extend the deadline to 31 August 2020.
15. For the avoidance of doubt, the Authority's decision to extend the deadline only applies to information required to be submitted by 31 July 2020 in terms of SLC 46. It does not extend the deadline of 31 July 2020 that applies to information required to be submitted by the Licensees in accordance with any other condition of the Licence.
16. This decision does not preclude the ability of a Licensee to submit information to the Authority in advance of the revised deadline.

Covid-19

17. Covid-19 is a national emergency. The Authority's over-arching objective at this time is protecting consumers, particularly those that are vulnerable, and maintaining Britain's electricity and gas supply. We are working closely with the government, licensees, consumer organisations and wider stakeholders to ensure that the energy industry responds effectively.
18. We will continue to work closely with those parties and review our regulatory response to Covid-19 in collaboration with them. If appropriate, we may make further changes to the reporting obligations for network companies.

19. We will continue to publish information on our response to Covid-19, including any changes to our regulatory approach, online⁶.

Now therefore –

20. Pursuant to paragraph 46.9 of SLC 46, the Authority hereby modifies the RIGs in the manner 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.
21. Additionally, pursuant to paragraph 46.21 of SLC 46, the Authority hereby grants a derogation as detailed in paragraph 13 above.
22. This document, including the Appendices, constitutes notice of the Authority's reasons as required by section 49A of the Act.

.....
Steven McMahon
Deputy Director, Electricity Distribution and Cross Sector Policy
Duly authorised on behalf of the Authority
29 April 2020

⁶ <https://www.ofgem.gov.uk/coronavirus-covid-19>

Appendix 1: Stakeholder representations

On 9 March 2020, 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-60>

Appendix 2: Response to representations and the RIIO-ED1 RIGs Version 6.0

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 6.0 are also 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-version-60>