

To:

Electricity North West Limited

Northern Powergrid: Northeast

Northern Powergrid: Yorkshire

SP Energy Networks: Distribution

SP Energy Networks: Manweb

Scottish and Southern Energy Power Distribution: Scottish Hydro Electric Power Distribution

Scottish and Southern Energy Power Distribution: Southern Electric Power Distribution

UK Power Networks: London Power Networks

UK Power Networks: South East Power Networks

UK Power Networks: Eastern Power Networks

National Grid Electricity Distribution (West Midlands) plc

National Grid Electricity Distribution (East Midlands) plc

National Grid Electricity Distribution (South Wales) plc

National Grid Electricity Distribution (South West) plc

## **Electricity Act 1989**

### **Section 11A(1)(a)**

#### **Modification of the Special Conditions of the Electricity Distribution Licence held by each of the above licensees**

1. Each of the licensees to whom this document is addressed 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 ('the Act').
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice<sup>2</sup> ('the Notice') on 2 November 2023 that we propose to

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

<sup>2</sup> [Notice of modification of the Special Conditions of the Distribution Licence \(ofgem.gov.uk\)](#)

modify the Licence to correct a number of errors that have been identified and to improve the clarity of the licence.

3. We stated that any representations to the modification proposal must be made on or before 30 November 2023. We extended the consultation period until 29 December 2023 to ensure Independent Distribution Network Operators were offered adequate opportunity to respond.
4. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
5. We received six responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is published alongside this notice in an 'issue log' which is published in support of the final decision document.
6. It is necessary to make a number of minor alterations to the modifications as set out in the Notice. These alterations make further amendments to numbering and formatting and correct minor typographical errors, and they also address issues raised in specific feedback received through our consultation. These alterations are shown in track change and yellow highlight in the licences published alongside this notice.
7. The reason for modifying the Special Conditions in accordance with the Notice and for including the additional modifications following the consultation, is to clarify and, where necessary, correct and remedy, the Special Licence Conditions that were implemented for the electricity distribution network companies to give effect to our RIIO-ED2 settlement. Further details on these licence changes are set out in the document below:
  - a. [Statutory Consultation on Modifications to the Standard and Special Conditions of the Electricity Distribution Licence | Ofgem](#)
8. The effect of this modification is to produce Special Conditions of the licenses which are clearer and corrects errors.
9. Where an application for permission to appeal our decision is made to the Competition and Markets Authority under section 11C of the Act, Rule 5.6 of the

Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>3</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2(a). This notice is addressed to the 'relevant licence holders' and section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(a) of the Act, we hereby modify the Special Conditions of the Licence of the addressed licensees in the manner specified on our website. This decision will take effect from 09 April 2024.

This document is notice of the reasons for the decision to modify the electricity distribution Special Licence Conditions as required by section 49A(2) of the Act.

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Steve McMahon  
Duly authorised on behalf of the  
Gas and Electricity Markets Authority

13 February 2024

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<sup>3</sup> CMA70  
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