



SP Distribution

Overview Statement

Supporting document to SP Distribution suite of charging statements

Effective from 1st April 2026

Version 1.0

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1. Introduction

SP Distribution plc (SPD) is a licensed Electricity Distribution Network Operator (DNO) serving central and southern Scotland, and the area we cover can be seen below. We own, operate and maintain an extensive electricity distribution network that delivers power to domestic, commercial and industrial customers, as well as embedded generators. Our network comprises overhead lines, underground cables, and primary and secondary substations across multiple voltage levels (33 kV, 11 kV and LV).



Our activities are carried out under a distribution licence (“the Licence”) granted pursuant to the Electricity Act 1989, as amended from time to time. The Licence sets the regulatory framework within which we operate, including our obligations relating to customer access, charging transparency, cost reflectivity, competition, and the ongoing development and maintenance of a safe and reliable electricity network.

SPD publishes a suite of documents that describe the charges associated with connection to, and ongoing use of, our distribution system, along with the methodologies that underpin them. This overview statement has been created to support the following documents:

- i. Statement of Methodology and Charges for Connection to SPD’s Electricity Distribution Network – pursuant to SLCs 13 and 14.
- ii. Use of System Charging Statement – pursuant to SLC 14.
- iii. Statement of Charges for the Provision of Legacy Metering Equipment – pursuant to SLC 36.
- iv. Statement of Charges for MPAS and Data Services – pursuant to SLCs 18 and 36; and
- v. Miscellaneous Services Statement.

These documents collectively set out how SPD calculates connection costs, Use of System (UoS) charges, metering-related charges, and service-specific fees, ensuring that all charges remain fair, transparent, cost-reflective and compliant with Ofgem requirements.

The charging methodology for Use of System Charges is the Common Distribution Charging Methodology and can be found at www.Dcusa.co.uk

All statements are prepared in a form approved by the Gas and Electricity Markets Authority (GEMA). They are available in PDF format on our website at:

http://www.scottishpower.com/pages/connections_use_of_system_and_metering_services.asp

Where paper copies are required, SPD may charge a fee of £15.00 plus VAT per copy, applied at our discretion.

2. Licence Obligations

Relevant objectives defined in our Licence

- a) That compliance with the Use of System Charging Methodology facilitates the discharge by the Licensee of the obligations imposed on it under the Act and by this Licence;
- b) That compliance with the Use of System Charging Methodology facilitates competition in the generation and supply of electricity, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity;
- c) That compliance with the Use of System Charging Methodology results in charges which reflect, as far as is reasonably practicable (taking account of implementation costs), the costs incurred by the Licensee in its distribution business; and
- d) That, so far as is consistent with sub-paragraphs (a), (b) and (c), the Use of System Charging Methodology, as far as is reasonably practicable, properly takes account of developments in the Licensee's distribution business.

SP Distribution (SPD) complies with the relevant Standard Licence Conditions (SLCs) that govern the basis on which charges are set for the use of the distribution system and associated services. Key obligations include:

SLC 13 – Charging Methodology for Use of System and Connections

Requires Distribution Network Operators (DNOs) to establish and maintain charging methodologies that are cost-reflective, transparent, and promote competition. This ensures users understand how charges are calculated and that charges are fair and objective.

SLC 14 – Charges for Use of System

Sets out the rules for publishing and applying Use of System (UoS) charges. It ensures that charges follow the approved methodology, are issued in a timely manner, and are available to all users on an equal basis.

SLC 18 & SLC 36 – Metering and Data Services

Require DNOs to provide and facilitate metering and data services on a non-discriminatory basis. This includes obligations to support accurate data flows, ensure metering complies with industry standards, and enable competitive metering where applicable. This is undertaken in accordance with the Retail Energy Code (REC).

Separate published statements set out the basis on which charges will be made for the provision of each of these services. These obligations ensure that charges:

- (a) Facilitate effective market competition.

- (b) Reflect efficient, economic, and cost-justified practices.
- (c) Are transparent and aligned with Ofgem's regulatory requirements.

3. Price Control Framework

SPD operates within Ofgem's price control framework, which determines the revenue SPD is allowed to earn and the incentives it must achieve.

Key components include:

- Allowed Revenue – limits the recoverable network income.
- Performance Incentives – target reliability, customer service, and innovation.
- Annual adjustments based on customer numbers, energy volumes, and cost drivers.

This framework ensures that customer charges remain fair, cost-reflective, and supportive of long-term network investment. Use of System Charges may vary year on year, both to reflect the costs attributable to each customer class, and to ensure balance with our allowed revenue.

4. Connection and Use of System Charges

SPD publishes several charging statements, including:

- Statement of Methodology and Charges for Connection.
- UoS Charging Statement.
- MPAS and Data Services Charging Statement.
- Miscellaneous Services Statement.

These documents define how SPD calculates connection costs, ongoing network usage charges, and service-specific fees.

5. Contractual Framework

Access to the SPD network is governed by:

- Bilateral connection agreements.
- Industry codes such as the Distribution Code and DCUSA.

All parties connecting to or using the SPD network must comply with these frameworks.

6. Publication and Access

All charging statements are made available via the SP Energy Networks website. Printed copies may be provided upon request and may be subject to administrative fees.

7. Glossary of Terms

Allowed Revenue: The maximum revenue Ofgem permits SPD to recover each year.

Connection Assets: Assets installed specifically to provide a customer connection.

Distribution Code: A code governing the technical and operational rules of the distribution network.

DUoS Charges: Distribution Use of System charges for ongoing access to the network.

Embedded Generation: Generation connected to the distribution rather than transmission network.

MPAS: Meter Point Administration Services, including MPAN allocation.

Price Control: Regulatory mechanism determining SPD's allowed revenue and incentives.

UoS Charges: Charges for the use of the distribution network.

8. Contact Information

SP Energy Networks – Commercial & Regulation

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