

To the Company Secretary:

South Eastern Power Networks plc Company Number: 03043097

DIRECTIONS ISSUED BY THE GAS AND ELECTRICITY MARKETS AUTHORITY TO SOUTH EASTERN POWER NETWORKS PLC UNDER THE SPECIAL CONDITIONS OF ITS ELECTRICITY DISTRIBUTION LICENCE IN RESPECT OF THE ANNUAL ITERATION PROCESS FOR THE ED1 PRICE CONTROL FINANCIAL MODEL (PCFM)

WHEREAS

- 1. South Eastern Power Networks plc ('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 ('the Act').
- 2. For the purposes of these directions:
- (a) the expression 'Regulatory Year t' has the same meaning as is given to it in CRC 1B (Interpretation of Part 4) of the licence and references to Regulatory Year t-1 are to be construed accordingly; and
- (b) Regulatory Year t is the Regulatory Year that commences on 1 April 2022 and ends on 31 March 2023 ('Regulatory Year 2022/23').
- 3. CRC 4B (Annual Iteration Process for the ED1 Price Control Financial Model) requires the Gas and Electricity Markets Authority ('the Authority') to:
- (a) carry out the Annual Iteration Process for the ED1 Price Control Financial Model: and
- (b) direct the value of the term MOD for Regulatory Year t for the purposes of the formula specified in Part C of CRC 2A (Restriction of Allowed Distribution Network Revenue); by 30 November in Regulatory Year t-1.
- 4. The following Special Conditions provide for the Authority to direct revised PCFM Variable Values for the licensee for the purpose of the Annual Iteration Process for the ED1 Price Control Financial Model that forms part of CRC 4A (Governance of ED1 Price Control Financial Instruments) of the licence:
- CRC 3A (Legacy price control adjustments) in respect of LTPG, LTPS, LTPD, LTPC, OLREV, OLRAV and RIREV values;
- CRC 3B (Determination of PCFM Variable Values relating to actual Totex expenditure for Totex Incentive Mechanism Adjustments) in respect of ALC, ANLR, ANLO, AFE, ARP, ACO and TRE values; CRC 3C (Specified financial adjustments) in respect of EDE, TTE, TGIE and CDE values;
- CRC 3D (The Innovation Roll-out mechanism) in respect of IRM values;
- CRC 3E (Smart Meter Roll-out Costs) in respect of SMAE values;
- CRC 3F (Arrangements for the recovery of uncertain costs) in respect of UCHVP, UCEPS, UCSSW, UCRE and UCLB values:
- CRC 3G (Revising the allowed level of Load Related Expenditure) in respect of LRRC values;
- CRC 3H (Allowed expenditure on improving services to Worst Served Customers) in respect of WSCC values;
- CRC 3J (Allowed expenditure on Visual Amenity Projects) in respect of VAA values; and
- CRC 3N (Arrangements to exclude Green Recovery Scheme Project Costs from the Totex Incentive Mechanism) in respect of GRS values.
- 5. Each of the Special Conditions referred to in paragraph 4:
- (a) sets out the basis on which any revisions to relevant PCFM Variable Values are to be determined; and
- (b) where applicable, specifies the price control financial methodology in accordance with which revisions to the relevant PCFM Variable Value(s) are to be determined and the chapter of the ED1 Price Control Financial Handbook containing that methodology.
- 6. The reason for this direction is to revise the PCFM Variable Values as used in the Annual Iteration Process for the ED1 Price Control Financial Model (as each of those terms is defined in CRC 1B). The Annual Iteration Process is used to calculate the value of the term MOD for the purposes of the formula specified in CRC 2A (Restriction of Allowed Distribution Network Revenue).
- 7. In accordance with requirements set out in the Special Conditions referred to in paragraph 4, on 5 November 2021 the Authority gave notice of the revised PCFM Variable Values that it proposed to direct by 30 November 2021 in Regulatory Year t-1 and specified that any representations concerning the proposed values should be made within fourteen days of receiving the notice.
- 8. The Authority received no representations.

NOW the Authority pursuant to the provisions of the Special Conditions referred to in paragraphs 3 and 4. **HEREBY DIRECTS that:**

- (a) the PCFM Variable Values referred to in paragraph 4 are to be revised as shown in Schedule 1 to these directions; and
- (b) the term MOD for the licensee for Regulatory Year 2022/23 is to take the value -£42.3m.

Schedule 2 to these directions shows the complete PCFM Variable Values Table including the values revised under these directions (in bold font) and the values that have not been revised under these directions.

This constitutes notice of the reasons for the Authority's decision pursuant to section 49A of the Act.

Steve McMahon

Deputy Director, Networks

Duly authorised on behalf of the Gas and Electricity Markets Authority 30 November 2021

SPN				Regulatory Year Ending										
	PCFM Variable Value	Special	Price Base /	31 March	Legacy 31 March	31 March	31 March	31 March	31 March	-ED1 31 March	31 March	31 March	31 March	
CDF	T	Condition	Units Annual Real	2014	2015	2016 No	2017 No	2018 No	2019 No	2020 No	2021 No	2022 No	2023	
CDE	Allowed percentage cost of corporate debt	CRC 3C	% £m 12/13			Revision No	Revision No	Revision No	Revision No	Revision No	Revision	Revision No	1.44% No	
ALC	Actual load-related capex expenditure	CRC 3B	Prices			Revision	Revision	Revision	Revision	Revision	9.2	Revision	Revision	
ANLR	Actual non-load related capex expenditure - asset replacement	CRC 3B	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	31.6	No Revision	No Revision	
ANLO	Actual non-load related capex - other	CRC 3B	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	14.9	No Revision	No Revision	
AFE	Actual faults expenditure	CRC 3B	£m 12/13			No	No	No	No	No	35.6	No	No	
TRE	Actual tree cutting	CRC 3B	Prices £m 12/13			Revision No	Revision No	Revision No	Revision No	Revision No	4.2	Revision No	Revision No	
			Prices £m 12/13			Revision	Revision	Revision No	Revision No	Revision No		Revision No	Revision	
ARP	Actual 100% 'revenue pool' expenditure	CRC 3B	Prices			Revision	Revision	Revision	Revision	Revision	13.1	Revision	Revision	
ACO	Actual controllable opex expenditure	CRC 3B	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	75.2	No Revision	No Revision	
UCEPS	Allowed Expenditure - Enhanced Physical Site Security	CRC 3F	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
UCHVP	Allowed Expenditure - High Value Projects	CRC 3F	£m 12/13			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
VAA	Allowed Expenditure - Visual Amenity Projects	CRC 3J	Prices £m 12/13			No	No	No	No	No	0.1	No	No	
	Allowed Expenditure - Worst Served Customer		Prices £m 12/13			Revision	Revision No	Revision No	Revision No	Revision No		Revision No	Revision No	
WSCC	Projects	CRC 3H	Prices			Revision	Revision	Revision	Revision	Revision	0.2	Revision	Revision	
SMAE	Allowed Expenditure - Smart Meter Roll-out costs	CRC 3E	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	1.0	No Revision	No Revision	
UCSSW	Allowed Expenditure - Specified Street Works	CRC 3F	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
LRRC	Allowed Expenditure - Load Related	CRC 3G	£m 12/13			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
RE	Allowed Expenditure - Rail Electrification (WPD)	CRC 3K	Prices £m 12/13			No	No	No	No	No	No	No	No	
			Prices £m 12/13			Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	
UCMC	Allowed Expenditure - Moorside Costs	CRC 3L	Prices			Revision	Revision	Revision	Revision	Revision	Revision	Revision	Revision	
UCSFE	Allowed Expenditure - Shetland Uncertain Energy (SSEH)	CRC 3F	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
UCCPC	Allowed Expenditure - Shetland Competitive Process (SSEH)	CRC 3F	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
UCLB	Allowed Expenditure - Link Boxes	CRC 3F	£m 12/13			No	No	No	No	No	No	No	No	
UCSC		CRC 3F	Prices £m 12/13			Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	
	Allowed Expenditure - Subsea Cables (SSEH) Allowed Expenditure - Uncertain Rail Electrification		Prices £m 12/13			Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	
UCRE	Costs	CRC 3F	Prices			Revision	Revision	Revision	Revision	Revision	Revision	Revision	Revision	
IRM	Allowed Expenditure - Innovation Roll-out Mechanism	CRC 3D	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
UCSEFEC	Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH)	CRC 3F	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
UCSESPC	Allowed Expenditure - Shetland Enduring Solution	CRC 3F	£m 12/13			No	No	No	No	No	No	No	No	
	Process Costs (SSEH) Allowed Expenditure - Shetland Extension Battery		Prices £m 12/13			Revision	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	Revision No	
UCSEBC	Costs (SSEH)	CRC 3F	Prices £m 12/13			Revision	Revision	Revision	Revision	Revision	Revision	Revision	Revision	
GRS	Allowed Expenditure - Green Recovery Scheme	CRC 3N	Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
EDE	Pension Scheme Established Deficit revenue adjustment	CRC 3C	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
OLREV	Other legacy adjustments' price control allowed revenue adjustment	CRC 3A	£m 12/13 Prices			No Revision								
OLRAV	Other legacy adjustments' price control RAV	CRC 3A	£m 12/13	No	No	Revision	J							
	additions adjustment RAV Rolling Incentive legacy adjustments' price		Prices £m 12/13	Revision	Revision	No	1							
RIREV	control allowed revenue adjustment Tax liability revenue allowance adjustments - gearing	CRC 3A	Prices			Revision	N.							
TGIE	/ debt interest costs	CRC 3C	£m Nominal			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
TTE	Tax liability revenue allowance adjustments - tax trigger events	CRC 3C	£m 12/13 Prices			No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	No Revision	
LTPG	Legacy general tax pool adjustment	CRC 3A	£m	No Revision	No Revision									
LTPS	Legacy special tax pool adjustment	CRC 3A	Nominal £m	No	No									
	Deferred Revenue Expenditure pre-RIIO movement		Nominal £m	Revision No	Revision No	-								
LTPD	adjustment	CRC 3A	Nominal	Revision	Revision									
LTPC	DRE: Gross capex adjustment	CRC 3A	£m Nominal	No Revision	No Revision									
	SPN	Financial	Price Base	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	
	Incremental Legacy Adjustments used to calculate	Handbook OLREV	cc base	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
PTU	Pension True-Up	Chapter 15	£m 12/13 Prices			1.0								
PPF	PPF Levy	Chapter 15	£m 12/13			0.0								
			Prices £m 12/13											
ТСВ	Tax Clawback	Chapter 15	Prices			0.0								
Tax	Tax True-Up	Chapter 15	£m 12/13 Prices			9.1								
DG5	Distributed Generation for DPCR5	Chapter 15	£m 12/13 Prices			1.7								
BDC	Bad Debts	Chapter 15	£m 12/13			0.0								
TMA		Chapter 15	Prices £m 12/13			-8.0								
	Traffic Management Act Undergrounding & Worst Served Customers		Prices £m 12/13											
UWS	Improvements	Chapter 15	Prices			-0.2								
LRR	Load Related Reopener	Chapter 15	£m 12/13 Prices			-6.3								
HVC	High Volume Low Cost Connections	Chapter 15	£m 12/13 Prices			-0.8								
HVP	High Value Projects	Chapter 15	£m 12/13			0.0								
EPS		Chapter 15	Prices £m 12/13											
	Enhanced Physical Site Security		Prices £m 12/13			0.0								
RLM	Rising & Lateral Mains	Chapter 15	Prices			0.0								
SHET	Shetland	Chapter 15	£m 12/13 Prices			0.0								
FLD	Flood Prevention (SSEH Only)	Chapter 15	£m 12/13			0.0								
	Incremental Legacy Adjustments used to calculate	OLRAV	Prices				J							
RAV	RAV Additions	Chapter 15	£m 12/13 Prices	-0.3	-42.5									
	Incremental Legacy Adjustments used to calculate		£m 12/13			-	1							
RRI	RRI Revenue Adjustment	Chapter 16	Prices			1.4								
RRI RLM	RRI RLM Adjustment	Chapter 16	£m 12/13 Prices			0.0								
RRI WFR	RRI WFR Adjustment	Chapter 16	£m 12/13			-0.6								
L	1	1	Prices			1								

SCHEDULE 2 TO THE AUTHORITY'S DIRECTION - VARIABLE VALUE TABLE

Name Processed Process							Regulatory Year Ending							
Annual part Compared debt	Variable Name	Special Condition	Brico Baso / Units	Torm	31 March	31 March	31 March	31 March	31 March	31 March	31 March			31 March
Actual non-load related capse expenditure - sest replacement			Price Base / Units	rem	2014	2015								
Actual non-load related agone expenditure - asset replacement CRC 38		CRC 3C	Annual Real %	CDE									1.62%	1.44%
Actual fails expenditure CRC 38 6712/31 prices ACTUAL fails rependiture CRC 38 6712/32 prices ACTUAL fails rependiture ACTUAL f	Actual load-related capex expenditure		£m 12/13 prices	ALC									-	-
Actual free cutting (CC 38 for 12/13 prices TRE (CC 38 for	Actual non-load related capex expenditure - asset replacement	CRC 3B	£m 12/13 prices	ANLR					47.4				-	-
Actual 100% (revenue pool *ependiture ** Actual 100% (revenue pool ** Actual 100% (reven	Actual non-load related capex - other	CRC 3B	£m 12/13 prices	ANLO			18.9	14.4	16.8	14.8	13.5	14.9	-	-
Actual controllable opex expenditure CRC 3B Em 12/13 prices ACD Actual controllable opex expenditure CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Inhanced Physical Site Security CRC 3F Em 12/13 prices UCEPS Allowed Expenditure - Visual Ameny Projects (TIM neutral) CRC 3F Em 12/13 prices UCEPS Allowed Expenditure - Visual Ameny Projects (TIM neutral) CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Visual Ameny Projects (TIM neutral) CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Store Ameny Projects (TIM neutral) CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Store Ameny Projects (TIM neutral) CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Store Ameny Projects (TIM neutral) CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Store Ameny Projects (TIM neutral) CRC 3B Em 12/13 prices UCEPS Allowed Expenditure - Store Ameny Amen	Actual faults expenditure	CRC 3B	£m 12/13 prices	AFE			30.7	36.5	29.0	32.2	38.3	35.6	-	-
Actual controllable opex expenditure Allowed Expenditure - High Yould Projects CRC 3F Em 12/13 prices UCF9 Allowed Expenditure - High Yould Project (TIM neutral) CRC 3F Em 12/13 prices UCF9 Allowed Expenditure - Very	Actual tree cutting	CRC 3B	£m 12/13 prices	TRE			2.2	5.4	4.6	3.9	4.2	4.2	-	-
Allowed Expenditure - High Value Projects	·	CRC 3B	£m 12/13 prices	ARP				10.4	10.9	11.1	11.4	13.1	-	-
Allowed Expenditure - Visual Amenity Projects (TIM neutral) Allowed Expenditure - Visual Amenity Projects (TIM neutral) CRC 31	Actual controllable opex expenditure	CRC 3B	£m 12/13 prices	ACO			63.6	69.6	70.4	71.4	73.4	75.2	-	-
Allowed Expenditure - Wisual Amenity Projects (TIM neutral) CRC 31	Allowed Expenditure - Enhanced Physical Site Security	CRC 3F	£m 12/13 prices	UCEPS			0.5	0.5	-	-	-	-	-	-
Allowed Expenditure - Worst Served Customer Project (TIM neutral) CRC 3H	Allowed Expenditure - High Value Projects	CRC 3F	£m 12/13 prices	UCHVP			4.7	5.8	5.8	5.4	4.5	2.7	-	-
Allowed Expenditure - Smart Meter Roll-out costs CRC 3E Em 12/13 prices UCSSW Allowed Expenditure - Load Related CRC 3F Em 12/13 prices UCSSW Allowed Expenditure - Rall Electrification (NPD) CRC 3E Em 12/13 prices UCSSW Allowed Expenditure - Rall Electrification (NPD) CRC 3E Em 12/13 prices UCSSW Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Expenditure -	Allowed Expenditure - Visual Amenity Projects (TIM neutral)	CRC 3J	£m 12/13 prices	VAA			0.3	0.3	0.0	0.0	0.0	0.1	-	-
Allowed Expenditure - Specified Street Works CRC 3F	Allowed Expenditure - Worst Served Customer Project (TIM neutral)	CRC 3H	£m 12/13 prices	WSCC			0.0	0.4	0.0	0.1	0.2	0.2	-	-
Allowed Expenditure - Load Related	Allowed Expenditure - Smart Meter Roll-out costs	CRC 3E	£m 12/13 prices	SMAE			0.4	1.4	1.5	1.9	1.9	1.0	-	-
Allowed Expenditure - Rail Electrification (WPD) CRC 3K Em 12/13 prices Allowed Expenditure - Moorside Costs (ENWL) CRC 3E Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F Em 12/13 prices UCSF UCSF Allowed Expenditure - Shetland Competitive Process (SSEH) CRC 3F Em 12/13 prices UCSF Allowed Expenditure - Shetland Competitive Process (SSEH) CRC 3F Em 12/13 prices UCSC Allowed Expenditure - Shetland Expenditure - Shetland Competitive Process (SSEH) CRC 3F Em 12/13 prices UCSC Allowed Expenditure - Uncertain Rail Electrification Costs CRC 3F Em 12/13 prices UCSC Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) CRC 3F Em 12/13 prices UCSC Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 pric	Allowed Expenditure - Specified Street Works	CRC 3F	£m 12/13 prices	UCSSW			-		-	-	-		-	-
Allowed Expenditure - Moorside Costs (ENWL) Allowed Expenditure - Shetland Competitive Process (SSEH) Allowed Expenditure - Shetland Competitive Process (SSEH) Allowed Expenditure - Unknown (CRC 3F 6m 12/13) prices UCSFE Allowed Expenditure - Unknown (CRC 3F 6m 12/13) prices UCSE Allowed Expenditure - Unknown (CRC 3F 6m 12/13) prices UCSE Allowed Expenditure - Unknown (CRC 3F 6m 12/13) prices UCSE Allowed Expenditure - Unknown (CRC 3F 6m 12/13) prices UCSE Allowed Expenditure - Unknown (CRC 3F 6m 12/13) prices UCSE Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) Allowed Expenditure - Shetland Extension Expenditure - Shetland Expension Fixed Energy Costs (SSEH) Allowed Expenditure - Shetland Expension Expension Fixed Energy Costs (SSEH) Allowed Expenditure - Shetland Expension	Allowed Expenditure - Load Related	CRC 3G	£m 12/13 prices	LRRC			26.1	34.1	35.2	25.9	21.1	20.9	27.5	25.6
Allowed Expenditure - Shetland Uncertain Energy (SSEH) CRC 3F	Allowed Expenditure - Rail Electrification (WPD)	CRC 3K	£m 12/13 prices	RE			-		-	-	-		-	-
Allowed Expenditure - Shetland Competitive Process (SSEH) CRC 3F	Allowed Expenditure - Moorside Costs (ENWL)	CRC 3L	£m 12/13 prices	UCMC					-	-	-		-	-
Allowed Expenditure - Link Boxes CRC 3F	Allowed Expenditure - Shetland Uncertain Energy (SSEH)	CRC 3F	£m 12/13 prices	UCSFE					-	-	-		-	-
Allowed Expenditure - Subsea Cables (SSEH) Allowed Expenditure - Uncertain Rail Electrification Costs CRC 3F Em 12/13 prices UCSE Allowed Expenditure - Uncertain Rail Electrification Costs CRC 3F Em 12/13 prices UCRE Allowed Expenditure - Shetland Extension Rixed Energy Costs (SSEH) CRC 3F Em 12/13 prices UCSEFFC Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3R Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3R Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3R Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3A Em 12/13 prices UCSEBC GRS Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3A Em 12/13 prices DE Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3A Em 12/13 prices DE Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3A Em 12/13 prices DE Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Co	Allowed Expenditure - Shetland Competitive Process (SSEH)	CRC 3F	£m 12/13 prices	UCCPC					-	-	-		-	-
Allowed Expenditure - Uncertain Rail Electrification Costs Allowed Expenditure - Innovation Roil - Out Mechanism CRC 3D £m 12/13 prices £m	Allowed Expenditure - Link Boxes	CRC 3F	£m 12/13 prices	UCLB					-	-	-		-	-
Allowed Expenditure - Innovation Roll-out Mechanism CRC 3D Em 12/13 prices IRM Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) CRC 3F Em 12/13 prices UCSEFEC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEFEC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEFC UCSEFC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEFC UCSEFC UCSEFC UCSEFC	Allowed Expenditure - Subsea Cables (SSEH)	CRC 3F	£m 12/13 prices	UCSC					-	-	-		-	-
Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESPC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSESC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3F Em 12/13 prices UCSEBC UCSEBC Allowed Expenditure - Shetland Extension Battery Costs (SSEH) CRC 3R Em 12/13 prices UCSEBC CRC 3N CRC 3N CRC 3N CRC 3N Em 12/13 prices URL CRC 3A Em Nominal UTPS CRC 3N Em 12/13 prices UCSEBC CRC 3N C	Allowed Expenditure - Uncertain Rail Electrification Costs	CRC 3F	£m 12/13 prices	UCRE					-	-	-		-	-
Allowed Expenditure - Shetland Enduring Solution Process Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Green Recovery Scheme CRC 3R Em 12/13 prices GRS Allowed Expenditure - Green Recovery Scheme CRC 3R Em 12/13 prices CRC 3R Em 12/13 prices CRC 3R Em 12/13 prices EDE Other legacy adjustments' price control allowed revenue adjustment CRC 3A Em 12/13 prices OLRAV Other legacy adjustments' price control RAV additions adjustment CRC 3A Em 12/13 prices CRC 3A Em 12/13 prices OLRAV Other legacy adjustments' price control allowed revenue adjustment CRC 3A Em 12/13 prices CRC 3A	Allowed Expenditure - Innovation Roll-out Mechanism	CRC 3D	£m 12/13 prices	IRM					-	-	-		-	-
Allowed Expenditure - Shetland Extension Battery Costs (SSEH) Allowed Expenditure - Green Recovery Scheme CRC 3N Em 12/13 prices GRS Pension Scheme Established Deficit revenue adjustment CRC 3C Em 12/13 prices CRC 3C Em 12/13 prices CRC 3A Em Nominal CRC 3A Em Nominal	Allowed Expenditure - Shetland Extension Fixed Energy Costs (SSEH)	CRC 3F	£m 12/13 prices	UCSEFEC					-	-	-		-	-
Allowed Expenditure - Green Recovery Scheme CRC 3N	Allowed Expenditure - Shetland Enduring Solution Process Costs (SSEH)	CRC 3F	£m 12/13 prices	UCSESPC					-	-	-		-	-
Pension Scheme Established Deficit revenue adjustment CRC 3C £m 12/13 prices OLREV Other legacy adjustments' price control allowed revenue adjustment CRC 3A £m 12/13 prices OLREV Other legacy adjustments' price control allowed revenue adjustment CRC 3A £m 12/13 prices OLRAV RAV Rolling Incentive legacy adjustments' price control allowed revenue adjustment CRC 3A £m 12/13 prices RIREV Tax liability revenue allowance adjustments - gearing / debt interest costs CRC 3C £m Nominal CRC 3A £m Nominal LTPG Legacy general tax pool adjustment CRC 3A £m Nominal LTPS (0.8) 34.1 34.	Allowed Expenditure - Shetland Extension Battery Costs (SSEH)	CRC 3F	£m 12/13 prices	UCSEBC					-	-	-		-	-
Other legacy adjustments' price control allowed revenue adjustment CRC 3A £m 12/13 prices OLRAV Other legacy adjustments' price control RAV additions adjustment CRC 3A £m 12/13 prices CRC 3A £m 12/13 prices CRC 3A £m 12/13 prices RIREV Tax liability revenue allowance adjustments - gearing / debt interest costs CRC 3C £m Nominal CRC 3A £m 12/13 prices TGE Tax liability revenue allowance adjustments - gearing / debt interest costs CRC 3C £m Nominal CRC 3A £m Nom	Allowed Expenditure - Green Recovery Scheme	CRC 3N	£m 12/13 prices	GRS					-	-	-		-	-
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RAV Rolling Incentive legacy adjustments' price control allowed revenue adjustment Tax liability revenue allowance adjustments - gearing / debt interest costs CRC 3C Em Nominal TGIE Tax liability revenue allowance adjustments - tax trigger events CRC 3C Em 12/13 prices TTE Legacy general tax pool adjustment CRC 3A Em Nominal LTPG Legacy special tax pool adjustment CRC 3A Em Nominal LTPS (0.8) 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Other legacy adjustments' price control allowed revenue adjustment	CRC 3A	£m 12/13 prices	OLREV			(3.4)							
Tax liability revenue allowance adjustments - gearing / debt interest costs CRC 3C £m Nominal TGIE Tax liability revenue allowance adjustments - tax trigger events CRC 3C £m Nominal LTPG Legacy general tax pool adjustment CRC 3A £m Nominal LTPG Legacy special tax pool adjustment CRC 3A £m Nominal LTPS (0.8) (47.3) Deferred Revenue Expenditure pre-RIIO movement adjustment CRC 3A £m Nominal LTPS (0.8) LTPD 10.7 5.1	Other legacy adjustments' price control RAV additions adjustment	CRC 3A	£m 12/13 prices	OLRAV	(0.3)	(42.5)								
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Legacy general tax pool adjustment CRC 3A £m Nominal LTPG Legacy special tax pool adjustment CRC 3A £m Nominal LTPS Deferred Revenue Expenditure pre-RIIO movement adjustment CRC 3A £m Nominal LTPD CRC 3A £m Nominal LTPD 10.7 5.1	Tax liability revenue allowance adjustments - tax trigger events	CRC 3C	£m 12/13 prices	TTE			-	-	-	-	-		-	-
Legacy special tax pool adjustment CRC 3A £m Nominal LTPS Deferred Revenue Expenditure pre-RIIO movement adjustment CRC 3A £m Nominal LTPD CRC 3A £m Nominal LTPD 10.7 5.1	Legacy general tax pool adjustment	CRC 3A		LTPG	2.4	10.0								
Deferred Revenue Expenditure pre-RIIO movement adjustment CRC 3A £m Nominal LTPD 10.7 5.1	Legacy special tax pool adjustment	CRC 3A	£m Nominal	LTPS	(0.8)	(47.3)								
	Deferred Revenue Expenditure pre-RIIO movement adjustment		£m Nominal	LTPD	10.7	5.1								
	DRE: Gross capex adjustment	CRC 3A	£m Nominal	LTPC	10.9	5.4								