Notice under section 11A of the Electricity Act 1989
Proposal to modify the licences granted or treated as granted under section 6(1)(c) of the Electricity Act 1989

1. The Gas and Electricity Markets Authority ('the Authority')[1] proposes to make a modification to Special Condition 3.12 of the electricity distribution licences.

2. The proposed modification will replace the formula used to derive UMTERMt in Special Condition 3.12.4 with the formula as set out in the Schedule to this Notice.

3. The Authority published its decision on the proposed modifications to the RIIO-2 electricity distribution licences[2] on 3 February 2023. Those licence modfications will come into effect on 1 April 2023. Special Condition 3.12.4 of the modifications published on 3 February 2023 contains a typographical error, insofar as the formula reflected to derive UMTERMt, is incorrect. The proposed modification contained within the Schedule of this Notice modifies the electricity distribution licence and ensures the correct formula to derive UMTERMt is stated in Special Condition 3.12.4.

4. Any representations with respect to the proposed licence modifications must be made on or before 17 March 2023 to: RIIO-ED2 Networks Team, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to riioed2@ofgem.gov.uk.

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Steve McMahon

Deputy Director

Duly authorised on behalf of the Gas and Electricity Markets Authority   17 February 2023

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[1] The terms "the Authority", "we" and "us" are used interchangeably in this document.
[2] https://www.ofgem.gov.uk/publications/decision-proposed-modifications-riio-2-electricity-distribution-licences

Schedule to Notice under section 11A of the Electricity Act 1989

Special Condition 3.12.4 of the electricity distribution licences is modified to the following:

3.12.4 The value of $UMTERM_t$ is derived in accordance with the following formula:

$$UMTERM_t = LRE_t + SINVA_t + SRVD_t + LVSVD_t$$

where:

LRE_t	is set out in Appendix 1 to Special Condition 3.2 (Uncertain Costs Re-openers);
$SINVA_t$	is set out in Appendix 1 to Special Condition 3.3 (Evaluative Price Control Deliverables);
$SRVD_t$	is derived in accordance with Part A of Special Condition 3.9 (Load Related Expenditure volume drivers); and
$LVSVD_t$	is derived in accordance with Part B of Special Condition 3.9 (Load Related Expenditure volume drivers).