Notice under section 11A of the Electricity Act 1989

Decision to proceed with the modification of 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] has decided to proceed with making a modification to Special Condition 3.12 of the electricity distribution licences.

2. The 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 modifications 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 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. The Authority has taken account of the representations duly made during the consultation period.

5. The modification shall come into effect on the 29 May 2023.

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Steve McMahon

Deputy Director

Duly authorised on behalf of the Gas and Electricity Markets Authority   03 April 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).