

To: Scottish Hydro Electric Power Distribution Plc

Date: 19 May 2025

Direction issued by the Gas and Electricity Markets Authority ("the Authority") under Special Condition ("SpC") 3.2.109 of the Electricity Distribution Licence ("the Licence") held by Scottish Hydro Electric Power Distribution Plc ("the Licensee") to modify the value of licence term HOt.

1. The Licensee is the holder of a licence granted or treated as granted under section 6(1)(c) of the Electricity Act 1989.
2. SpC 3.2 Part O: Hebrides and Orkney Re-opener of the Licence provides a mechanism by which the licensee may apply for a direction modifying the value of term HOt in Appendix 1 to SpC 3.2.
3. In January 2024, the Licensee submitted a Re-opener application under SpC 3.2 Part O for modification to the term HOt. The Authority publicly consulted on its Draft Determinations between 16 January 2025 to 13 February 2025. This document included a draft of this direction.
4. We received five responses and have placed all non-confidential responses on our website. Having considered those responses, we have decided to proceed with making this direction. Our rationale is set out within our Final Determinations, which has been published alongside this direction.
5. In January 2024, the Licensee submitted a Re-opener application under SpC 3.2 Part O for modification to the term HOt.
6. Further details of the reasons for and effect of this direction can be found in our decision document published alongside this direction.

7. The Authority hereby issues a direction under SpC 3.2.109 to modify the HO_t in Appendix 1 of SpC 3.2 as follows:

Appendix 1

Uncertain Costs without Evaluative Price Control Deliverables allowances (£m)

	23/24	24/25	25/26	26/27	27/28	Total allowance (all years)
PSUP _t	0	0	0	0	0	0
REC _t	0	0	0	0	0	0
ESR _t	0	0	0	0	0	0
EVR _t	0	0	0	0	0	0
SWR _t	0	0	0	0	0	0
DIGI _t	0	0	0	0	0	0
SAR _t	0	0	0	0	0	0
LRE _t	0	0	0	0	0	0
HVP _t	0	0	0	0	0	0
WDV _t	0	0	0	0	0	0
HO _t	34.67	0	0-6.22	11.5-64.40	03.13	46.17 <u>108.42</u>
SES _t	0	0	0	0	0	0
SEFEC _t	0	0	0	0	0	0

New text is double underscored and deleted text is double struck through.

1. This direction will take effect immediately.
2. If you have any questions in relation to this direction, please contact: Dimitra Kalosynaki by email ReopenerConsultations@ofgem.gov.uk

Yours sincerely,

Pete Wightman
Deputy Director – Network Price Controls
Duly authorised on behalf of the Gas and Electricity Markets Authority