

**Scottish Hydro Electric Power Distribution  
Plc**

Direct Dial: 020 7901 7295  
Email: ReopenerConsultations  
@ofgem.gov.uk  
Date: 12 December 2025

**Electricity Act 1989 Section 11A(1)(a)**

**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. Special Conditions 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 2025, the Licensee submitted a re-opener application under SpC 3.2 Part O for modification to the term HOt. The Authority publically consulted on its Draft Determinations between 18 July 2025 and 26 August 2025. This document included a draft of this direction.
4. We received four responses relating to our Hebrides and Orkney re-opener Draft Determinations and we have placed all responses on our website. Having considered these responses, we have decided to proceed with making this direction. Our RIIO-2 Re-opener Applications 2025 Final Determinations, alongside which this direction is published, sets out the reasons for our decision.
5. The Authority hereby issues a direction under SpC 3.2.109 to the HOt and these are set out in Appendix 1 of SpC 3.2 as follows.
6. This direction will take effect immediately.

**The Office of Gas and Electricity Markets**

10 South Colonnade, Canary Wharf, London, E14 4PU Tel 020 7901 7000

**[www.ofgem.gov.uk](http://www.ofgem.gov.uk)**

7. If you have any questions in relation to this direction, please contact:  
[ReopenerConsultations@ofgem.gov.uk](mailto:ReopenerConsultations@ofgem.gov.uk).

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**Pete Wightman**  
**Deputy Director, Price Control Operations**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**12 December 2026**

## 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 <sub>t</sub>	0	0	0	0	0	0
REC <sub>t</sub>	0	0	0	0	0	0
ESR <sub>t</sub>	0	0	0	0	0	0
EVR <sub>t</sub>	0	0	0	0	0	0
SWR <sub>t</sub>	0	0	0	0	0	0
DIGI <sub>t</sub>	0	0	0	0	0	0
SAR <sub>t</sub>	0	0	0	0	0	0
LRE <sub>t</sub>	0	0	0	0	0	0
HVP <sub>t</sub>	0	0	0	0	0	0
WDV <sub>t</sub>	0	0	0	0	0	0
HO <sub>t</sub>	<del>34.67</del> <u>34.670</u>	0	<del>6.22</del> <u>12.616</u>	<del>64.40</del> <u>82.758</u>	<del>3.13</del> <u>55.529</u>	<del>108.42</del> <u>185.573</u>
SES <sub>t</sub>	0	0	0	0	0	0
SEFEC <sub>t</sub>	0	0	0	0	0	0