

Special Condition 3.xx Portfolio Price Control Deliverable term (PPA_t)

Introduction

The purpose of this condition is to calculate the term PPA_t (the Portfolio Price Control Deliverable term). This contributes to the calculation of the Totex Allowance.

This condition specifies the ex ante allowances for the Portfolio Price Control Deliverables (Appendix 1) and:

- the reduction in allowances if the licensee does not deliver the baseline set of specific asset interventions in the groups listed in Appendix 2.
- the increase in allowances if the licensee delivers in excess of the baseline set of specific asset interventions in the groups listed in Appendix 2, up to the agreed maximum set of specific asset interventions for which the licensee can be funded.

The baseline and maximum sets of specific asset interventions for each asset intervention group are set out in the NGET Redacted Information Document.

Part A: Formulae for calculating the annual Portfolio Price Control Deliverable term (PPA_t)

For each Regulatory Year t , the value of PPA_t (the annual allowance for all Portfolio Price Control Deliverables) is derived in accordance with the following formula:

$$PPA_t = \sum_{n=1}^{xx} PPA_{n,t}$$

Where $PPA_{n,t}$ is derived in accordance with the following formula:

$$PPA_{n,t} = IF \left(\sum_{2026}^{t-1} PPD_{n,t} < [PPC_n + PPT_n], \right. \\ \left. MIN \left(MAX \left(\left[PPC_n + PPT_n - \sum_{2026}^{t-1} PPD_{n,t} \right], 0 \right), PPD_{n,t} \right) \times PPU_n, 0 \right)$$

Where:

$PPD_{n,t}$ means the number of specific asset interventions in the groups listed in Appendix 2 that the licensee has delivered or is forecasting to deliver for each group n as of the end of Regulatory Year t

PPC_n means the maximum number of specific asset interventions in the groups listed in Appendix 2 for which the licensee is funded for each group n , as set out in the NGET Redacted Information Document

PPT_n means the number of specific asset interventions in the groups listed in Appendix 2 available for transfer between related asset intervention groups identified in the NGET Redacted Information Document

PPU_n means the allowed unit costs for each group n , as set out in the NGET Redacted Information Document

Commented [A1]: Adjusting funding in this way means that such adjustments can be made automatically and annually (with all the benefits that that entails) rather than via single large adjustment in T4

Commented [A2]: 'specific' used to distinguish these from 'Named' PCDs

Commented [A3]: We are still discussing the scope of this ability to transfer between replacement and refurbishment and vice versa, but as a minimum this has been agreed as occurring in one direction and therefore the licence should make provision for this.

n means the Portfolio Price Control Deliverable asset intervention group, as set out in Appendix 2

Part B: What is the licensee funded to deliver?

Subject to any adjustment to funding as provided for in Part C, the licensee is funded to deliver by 31 March 2031 the set of specific asset interventions specified in the NGET Redacted Information Document for each group n (as set out in Appendix 2).

Part C: Funding of asset interventions in the first year of the next price control period

This condition also adjusts revenue to fund the licensee for specific asset interventions in the groups listed in Appendix 2 that are commenced by the licensee in the Price Control Period and that the licensee delivers in the first year of the next price control period starting on 1 April 2031. In such a case, the formulae in Part A shall be used to calculate PPA_{2032} such that consistent funding is provided in the first year of next price control period starting on 1 April 2031.

Appendix 1

Ex ante allowances for Portfolio Price Control Deliverables by Asset Type

	Regulatory Year				
	2026/27	2027/28	2028/29	2029/30	2030/2031
Circuit Breakers	[text redacted]	[text redacted]	[text redacted]	[text redacted]	[text redacted]
Supergrid Transformers					
Instrument Transformers					
Earth Switches					
Disconnectors					
Substation Infrastructure Civils					

Appendix 2

Portfolio Price Control Deliverable Asset Intervention Groups

n	Term	Asset Intervention Group
1	CBN1	<132kV AIS Circuit Breaker Refurbishment Minor
2	CBN2	<132kV AIS Circuit Breaker Replacement
3	CBN3	132kV AIS Circuit Breaker Replacement
4	CBN4	275kV AIS Circuit Breaker Refurbishment Major
5	CBN5	275kV AIS Circuit Breaker Refurbishment Minor
6	CBN6	275kV AIS Circuit Breaker Replacement
7	CBN7	400kV AIS Circuit Breaker Refurbishment Major
8	CBN8	400kV AIS Circuit Breaker Refurbishment Minor
9	CBN9	400kV AIS Circuit Breaker Replacement
10	CBN10	132kV GIS Circuit Breaker Refurbishment Minor
11	CBN11	275kV GIS Circuit Breaker Refurbishment Minor

n	Term	Asset Intervention Group
12	CBN12	400kV GIS Circuit Breaker Refurbishment Minor
13	CBN13	400kV GIS Circuit Breaker Replacement
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