

Special Condition 3.48 Named Price Control Deliverable term (NPA_t)

Introduction

1. The purpose of this condition is to calculate the term NPA_t (the annual allowance for the Named Price Control Deliverables). This contributes to the calculation of the Totex Allowance.
2. This condition specifies total ex ante allowances for the Named Price Control Deliverables, and how these may be increased if additional pre-agreed Named Price Control Deliverables are to be delivered. Associated outputs and delivery dates are set out in the NGET Redacted Information Document.
3. This condition also explains the process the Authority will follow when assessing delivery of the Named Price Control Deliverables.

Part A: Formula for calculating the annual allowance for the Named Price Control Deliverable term (NPA_t)

4. For each Regulatory Year t , the value of NPA_t is derived in accordance with the following formula:

$$NPA_t = NPE_t + \sum_{p=1}^{yy} NPP_{p,t} - \sum_{n=1}^{xx} NPR_{n,t}$$

Where:

NPE_t means the total annual ex ante allowances as specified in Appendix 1 for the Named Price Control Deliverables,

$NPP_{p,t}$ means the annual allowance as specified in the NGET Redacted Information Document for Named Price Control Deliverables that have not received ex ante funding but have been delivered or are forecast to be delivered by 31 March 2032,

$NPR_{n,t}$ has the value zero, unless otherwise directed by the Authority in accordance with Part C,

p is the index number of the Named Price Control Deliverables that have received ex ante funding, and

n is the index number of the Named Price Control Deliverables that have received ex ante funding.

Part B: What is the licensee funded to deliver?

5. The NGET Redacted Information Document specifies the Named Price Control Deliverable outputs that the licensee is funded to deliver, their index numbers, the delivery dates for those outputs and the allowances provided for each output.

Commented [A1]: yy and xx to be populated when we know how many there are

Commented [A2]: Adding the pipeline deliverables here means that they become PCDEs and are subject to the assessment set out in Part C. Ofgem's drafting does not achieve that.

NB This addition is only really needed if Combi PCDs are split between Named and Volume, as suggested.

Finally, '2032' reflects T3+1 discussion.

Commented [A3]: It is important that the adjustment is a sum of adjustments at individual PCD level because this needs to be assessed annually and project-by-project for multiple PCDs. It is not a single PCD.

Part C: Assessment of the Named Price Control Deliverables

6. The Authority will, in accordance with the assessment principles set out in Part A of Special Condition 9.3 (Price Control Deliverable assessment principles and reporting requirements) consider directing a value for $NPR_{n,t}$ where the licensee has not Fully Delivered a Named Price Control Deliverable output as specified in the NGET Redacted Information Document.

Part D: What process will the Authority follow in making a direction?

7. Before making a direction under paragraph 3.48.6, the Authority will publish on the Authority's Website:
 - a. the text of the proposed direction;
 - b. the reasons for the proposed direction; and
 - c. a period during which representations may be made on the proposed direction, which will not be less than 28 days.
8. The direction will set out:
 - a. the delivery status of the output that has not been Fully Delivered;
 - b. the value of the $NPR_{n,t}$ term and the Regulatory Years to which that adjustment relates; and
 - c. the methodology and data that has been used to decide the delivery status and value of any adjustments to the $NPR_{n,t}$ term.

Appendix 1

Total ex ante allowances for the Named Price Control Deliverables

	Regulatory Year				
	2026/27	2027/28	2028/29	2029/30	2030/2031
PPE_t	£xx.xm	£xx.xm	£xx.xm	£xx.xm	£xx.xm