

To: All holders of the electricity distribution licence

**Electricity Act 1989
Section 11A(2)**

Notice of statutory consultation on a proposal to modify the special conditions of the electricity distribution licences

1. Each of the licensees to whom this document is addressed is the holder of an Electricity Distribution Licence (the 'Licence') granted or treated as granted under section 6(1) of the Electricity Act 1989 (the 'Act').
2. The Gas and Electricity Markets Authority (the 'Authority')¹ proposes to modify the existing special conditions ('SpC') of the Licence by amending SpC 3.9 'Load Related Expenditure volume drivers (SRVDt and LVSVDt)'.
3. The effect of these proposed modifications is to modify the Low Voltage Services Volume Driver (LVSVD) unit cost and LVSVD ex ante allowance for all licensees. We are also modifying the Secondary Reinforcement Volume Driver (SRVD) ex ante allowance for SP ENW.
4. Further details on the reasons for the proposed modifications can be found in [Changes to RIIO-ED2 Load Related Expenditure volume drivers | Ofgem](#). The full text of the proposed modifications to SpC 3.9 (including Appendices to SpC 3.9) is set out in Annexes 1 to 6 of this Notice, with the new text to be added shown double underscored and text removed shown struck through.

¹ The terms the 'Authority', 'we' and 'us' are used interchangeably in this document.

5. A copy of the proposed modifications and other documents referred to in this notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from information.rights@ofgem.gov.uk.

6. Any representations with respect to the proposed modifications to the Licence must be made on or before 9 July 2026 to: John Kennedy, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to RIIOED2@ofgem.gov.uk.

7. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.

8. If we decide to make the proposed modifications, they will take effect not less than 56 days after the decision is published.

.....

James Veaney
Deputy Director, Electricity Distribution Network Price Controls
Duly authorised on behalf of the
Gas and Electricity Markets Authority **11 June 2026**

Annex 1: Proposed modifications to Special Condition 3.9 of the Electricity Distribution Licence held by Electricity North West Ltd, Northern Powergrid (Northeast) plc, Northern Powergrid (Yorkshire) plc, National Grid Electricity Distribution (East Midlands) plc, National Grid Electricity Distribution (West Midlands) plc, National Grid Electricity Distribution (South Wales) plc, National Grid Electricity Distribution (South West) plc, SP Distribution plc, Scottish Hydro Electric Power Distribution plc

(New text is double underscored and text removed is double struck through.)

Special Condition 3.9 Load Related Expenditure volume drivers (SRVD_t and LVSVD_t)

Introduction

- 3.9.1 The purpose of this condition is to calculate the terms SRVD_t (the secondary reinforcement volume driver term) and LVSVD_t (the Low Voltage services volume driver term). These terms contribute to the calculation of the Totex Allowance (in relation to which see the ED2 Price Control Financial Model).
- 3.9.2 The effect of this condition is to fund the licensee for Load Related Expenditure related to the activities listed at Appendix 1 and Appendix 2 during the Price Control Period.
- 3.9.3 This condition also establishes the Load Related Expenditure Volume Drivers Governance Document and the RIIO-ED2 LRE Volume Drivers Workbook as a licence instruments.

Part A: Formulae for calculating the secondary reinforcement volume driver term (SRVD_t)

- 3.9.4 The value of SRVD_t is derived in accordance with the following formula:

$$SRVD_t = \frac{\sum_i SRUC_{t,i} \times SRCD_{t,i}}{1,000,000}$$

where:

- $SRUC_{t,i}$ means the unit cost of activity type i, set out in Appendix 1; and
- $SRCD_{t,i}$ means the volumes of activity delivered of type i, as set out in Appendix 1.

- 3.9.5 The value of SRVD across the Price Control Period cannot exceed the cap set out in Appendix 3.
- 3.9.6 The value of SRUC_{t,i} for gross MVA or km deferred through the procurement of flexibility services is derived in accordance with the following formula:

$$SRUC_{t,i} \times \left(1 - \left(\frac{1}{(1 + WACC_t)^n} \right) \right)$$

The Office of Gas and Electricity Markets

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

www.ofgem.gov.uk

where:

$SRUC_{t,i}$ means the unit cost for secondary reinforcement activity type i , that is being deferred by flexibility;

$WACC_t$ means vanilla weighted average cost of capital, derived in accordance with Chapter 4 of the ED2 Price Control Financial Handbook; and

n means the forecast number of years of reinforcement deferral which cannot be more than five years.

Part B: Formula for calculating the Low Voltage services volume driver term (LVSVD_t)

3.9.7 The value of $LVSVD_t$ is derived in accordance with the following formula:

$$LVSVD_t = \frac{\sum_i LVSUC_{t,i} \times LVSAR_{t,i}}{1,000,000}$$

where:

$LVSUC_{t,i}$ means the unit cost of activity type i , set out in Appendix 2; and

$LVSAR_{t,i}$ means the volumes of activity delivered of type i , as set out in Appendix 2.

3.9.8 The value of $LVSVD$ across the Price Control Period cannot exceed the cap set out in Appendix 3.

Part C: Load Related Expenditure Volume Drivers Governance Document

3.9.9 The Load Related Expenditure Volume Drivers Governance Document forms part of this condition.

3.9.10 The Load Related Expenditure Volume Drivers Governance Document may make provision about the scope, governance, administration and review of the Load Related Expenditure volume drivers.

3.9.11 The licensee must comply with the Load Related Expenditure Volume Drivers Governance Document when:

- (a) incurring expenditure under these volume drivers; and
- (b) in relation to the review of the volume drivers.

3.9.12 The Authority may only direct modifications to the Load Related Expenditure Volume Drivers Governance Document where:

- (a) it becomes aware of modifications of the type set out in paragraph 3.9.14 that would improve the clarity or usefulness to users of the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the modification will have no impact on the licensee's Allowed Revenue.

- 3.9.13 For the purposes of paragraph 3.9.12, it is to be presumed that a modification which serves to correct a manifest error will have no impact on the licensee's Allowed Revenue.
- 3.9.14 The following categories of modifications may be made under this Part:
- (a) formatting changes such as re-numbering of paragraphs, capitalising defined terms, cell labelling, renaming or re-ordering of sections or worksheets;
 - (b) deleting irrelevant material such as transitional provisions that have expired;
 - (c) updates such as to dates, version numbers of documents, titles of re-enacted legislation and re-named bodies;
 - (d) consequential changes required to reflect modifications made to the special conditions such as amendments made to the Appendices to this condition; and
 - (e) corrections of manifest errors such as discrepancies between the Load Related Expenditure Volume Drivers Governance Document and the other special conditions.
- 3.9.15 Before making a direction under paragraph 3.9.12, the Authority must send to the licensee and publish on the Authority's Website:
- (a) the text of the proposed direction;
 - (b) the reasons for the proposed direction, including why the Authority believes that the modifications meet the requirements of 3.9.12 and 3.9.14; and
 - (c) a period during which representations may be made on the proposed direction, which must not be less than 28 days.
- 3.9.16 A direction under this Part must set out:
- (a) the modifications to the Load Related Expenditure Volume Drivers Governance Document; and
 - (b) the date from which it is to have effect or the mechanism by which that date is to be determined.
- 3.9.17 The Authority must:
- (a) ensure that any modifications of the Load Related Expenditure Volume Drivers Governance Document, whether under this Part or otherwise, are promptly incorporated into a consolidated version of the Load Related Expenditure Volume Drivers Governance Document;
 - (b) send the consolidated version to the licensee; and
 - (c) maintain a consolidated version on the Authority's Website.

Appendix 1

SRVD_t unit cost by activity type (£)

Type i	Activity delivered SRCD _{t,i}	SRUC _{t,i}
1	Gross MVA released by installing a ground mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£63,250/MVA
2	Gross MVA released by installing a pole mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£89,470/MVA
3	Gross kilometres (km) of Low Voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£141,310/km
4	Gross kilometres (km) of high voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£127,270/km
5	Gross kilometres (km) of Low Voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£49,770/km
6	Gross kilometres (km) of high voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£39,600/km
7	Gross MVA or km deferred through the procurement of flexibility services, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	Derived in accordance with paragraph 3.9.6

Appendix 2

LVSVD_t unit cost by activity type (£)

Type i	Activity delivered LVSAR _{t,i}	LVSUC _{t,i} (Effective until <u>31 March</u> <u>2026</u>)	LVSUC _{t,i} (Effective <u>from 1 April</u> <u>2026</u>)
1	Overhead pole line – Low Voltage Service (overhead line) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£350 each	<u>£1,440 each</u>
2	Cable – Low Voltage Service (underground cable) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£1,600 each	<u>£2,650 each</u>

3	Switchgear - cut out (Metered) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£300 each	<u>£300 each</u>
4	Switchgear – fuse upgrade additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£130 each	<u>£130 each</u>

Appendix 3

SRVD and LVSVD – Ex ante allowances and caps for the Price Control Period (£m)

Licensee	SRVD (£m)		LVSVD (£m)	
	Ex ante allowance for RIIO-ED2	SRVD Cap	Ex ante allowance for RIIO-ED2	LVSVD Cap
ENWL	19.77	39.20 <u>52.30</u>	21.18 <u>26.33</u>	110.83
NPgN	35.45	62.53	18.59 <u>24.80</u>	49.71
NPgY	76.14	114.17	31.43 <u>42.04</u>	74.88
WMID	64.76	119.33	18.64 <u>23.48</u>	35.04
EMID	56.44	111.52	20.94 <u>26.52</u>	48.46
SWALES	39.22	65.04	6.55 <u>8.59</u>	22.41
SWEST	44.29	85.78	9.25 <u>11.97</u>	19.18
LPN	34.12	72.49	5.13 <u>6.36</u>	19.09
SPN	29.53	61.50	8.42 <u>11.48</u>	24.37
EPN	48.21	106.72	9.50 <u>13.13</u>	34.04
SPD	41.47	74.55	42.95 <u>54.33</u>	110.97
SPMW	27.84	50.62	24.67 <u>31.10</u>	60.25
SSEH	13.77	27.43	6.55 <u>7.67</u>	24.31
SSSES	48.02	104.71	9.99 <u>12.13</u>	46.86

Annex 2: Proposed modifications to Special Condition 3.9 of the Electricity Distribution Licence held by London Power Networks plc

(New text is double underscored and text removed is double struck through.)

Special Condition 3.9 Load Related Expenditure volume drivers (SRVD_t and LVSVD_t)

Introduction

- 6.9.1 The purpose of this condition is to calculate the terms SRVD_t (the secondary reinforcement volume driver term) and LVSVD_t (the Low Voltage services volume driver term). These terms contribute to the calculation of the Totex Allowance (in relation to which see the ED2 Price Control Financial Model).
- 6.9.2 The effect of this condition is to fund the licensee for Load Related Expenditure related to the activities listed at Appendix 1 and Appendix 2 during the Price Control Period.
- 6.9.3 This condition also establishes the Load Related Expenditure Volume Drivers Governance Document and the RIIO-ED2 LRE Volume Drivers Workbook as a licence instruments.

Part A: Formulae for calculating the secondary reinforcement volume driver term (SRVD_t)

- 6.9.4 The value of SRVD_t is derived in accordance with the following formula:

$$SRVD_t = \frac{\sum_i SRUC_{t,i} \times SRCD_{t,i}}{1,000,000}$$

where:

- $SRUC_{t,i}$ means the unit cost of activity type i, set out in Appendix 1; and
 $SRCD_{t,i}$ means the volumes of activity delivered of type i, as set out in Appendix 1.

- 6.9.5 The value of SRVD across the Price Control Period cannot exceed the cap set out in Appendix 3.
- 6.9.6 The value of SRUC_{t,i} for gross MVA or km deferred through the procurement of flexibility services is derived in accordance with the following formula:

$$SRUC_{t,i} \times \left(1 - \left(\frac{1}{(1 + WACC_t)^n} \right) \right)$$

where:

- $SRUC_{t,i}$ means the unit cost for secondary reinforcement activity type i, that is being deferred by flexibility;

WACC_t means vanilla weighted average cost of capital, derived in accordance with Chapter 4 of the ED2 Price Control Financial Handbook; and

n means the forecast number of years of reinforcement deferral which cannot be more than five years.

Part B: Formula for calculating the Low Voltage services volume driver term (LVSVD_t)

6.9.7 The value of LVSVD_t is derived in accordance with the following formula:

$$LVSVD_t = \frac{\sum_i LVSUC_{t,i} \times LVSAR_{t,i}}{1,000,000}$$

where:

LVSUC_{t,i} means the unit cost of activity type i, set out in Appendix 2; and

LVSAR_{t,i} means the volumes of activity delivered of type i, as set out in Appendix 2.

6.9.8 The value of LVSVD across the Price Control Period cannot exceed the cap set out in Appendix 3.

Part C: Load Related Expenditure Volume Drivers Governance Document

6.9.9 The Load Related Expenditure Volume Drivers Governance Document forms part of this condition.

6.9.10 The Load Related Expenditure Volume Drivers Governance Document may make provision about the scope, governance, administration and review of the Load Related Expenditure volume drivers.

6.9.11 The licensee must comply with the Load Related Expenditure Volume Drivers Governance Document when:

(a) incurring expenditure under these volume drivers; and

(b) in relation to the review of the volume drivers.

6.9.12 The Authority may only direct modifications to the Load Related Expenditure Volume Drivers Governance Document where:

(a) it becomes aware of modifications of the type set out in paragraph 3.9.14 that would improve the clarity or usefulness to users of the Load Related Expenditure Volume Drivers Governance Document; and

(b) the modification will have no impact on the licensee's Allowed Revenue.

6.9.13 For the purposes of paragraph 3.9.12, it is to be presumed that a modification which serves to correct a manifest error will have no impact on the licensee's Allowed Revenue.

- 6.9.14 The following categories of modifications may be made under this Part:
- (a) formatting changes such as re-numbering of paragraphs, capitalising defined terms, cell labelling, renaming or re-ordering of sections or worksheets;
 - (b) deleting irrelevant material such as transitional provisions that have expired;
 - (c) updates such as to dates, version numbers of documents, titles of re-enacted legislation and re-named bodies;
 - (d) consequential changes required to reflect modifications made to the special conditions such as amendments made to the Appendices to this condition; and
 - (e) corrections of manifest errors such as discrepancies between the Load Related Expenditure Volume Drivers Governance Document and the other special conditions.
- 6.9.15 Before making a direction under paragraph 3.9.12, the Authority must send to the licensee and publish on the Authority's Website:
- (a) the text of the proposed direction;
 - (b) the reasons for the proposed direction, including why the Authority believes that the modifications meet the requirements of 3.9.12 and 3.9.14; and
 - (c) a period during which representations may be made on the proposed direction, which must not be less than 28 days.
- 6.9.16 A direction under this Part must set out:
- (a) the modifications to the Load Related Expenditure Volume Drivers Governance Document; and
 - (b) the date from which it is to have effect or the mechanism by which that date is to be determined.
- 6.9.17 The Authority must:
- (a) ensure that any modifications of the Load Related Expenditure Volume Drivers Governance Document, whether under this Part or otherwise, are promptly incorporated into a consolidated version of the Load Related Expenditure Volume Drivers Governance Document;
 - (b) send the consolidated version to the licensee; and
 - (c) maintain a consolidated version on the Authority's Website.

Appendix 1

SRVD_t unit cost by activity type (£)

Type i	Activity delivered SRCD _{t,i}	SRUC _{t,i}
1	Gross MVA released by installing a ground mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£82,150/MVA
2	Gross MVA released by installing a pole mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£116,200/MVA
3	Gross kilometres (km) of Low Voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£183,540/km
4	Gross kilometres (km) of high voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£165,300/km
5	Gross kilometres (km) of Low Voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£64,640/km
6	Gross kilometres (km) of high voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£51,430/km
7	Gross MVA or km deferred through the procurement of flexibility services, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	Derived in accordance with paragraph 3.9.6

Appendix 2

LVSVD_t unit cost by activity type (£)

Type i	Activity delivered LVSAR _{t,i}	LVSUC _{t,i} (Effective until <u>31 March</u> <u>2026</u>)	LVSUC _{t,i} (Effective <u>from 1 April</u> <u>2026</u>)
1	Overhead pole line – Low Voltage Service (overhead line) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£450 each	<u>£1,870 each</u>
2	Cable – Low Voltage Service (underground cable) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£2,080 each	<u>£3,440 each</u>

3	Switchgear - cut out (Metered) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£390 each	<u>£390 each</u>
4	Switchgear – fuse upgrade additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£160 each	<u>£160 each</u>

Appendix 3

SRVD and LVSVD – Ex ante allowances and caps for the Price Control Period (£m)

Licensee	SRVD (£m)		LVSVD (£m)	
	Ex ante allowance for RIIO-ED2	SRVD Cap	Ex ante allowance for RIIO-ED2	LVSVD Cap
ENWL	19.77	39.20 <u>52.30</u>	21.18 <u>26.33</u>	110.83
NPgN	35.45	62.53	18.59 <u>24.80</u>	49.71
NPgY	76.14	114.17	31.43 <u>42.04</u>	74.88
WMID	64.76	119.33	18.64 <u>23.48</u>	35.04
EMID	56.44	111.52	20.94 <u>26.52</u>	48.46
SWALES	39.22	65.04	6.55 <u>8.59</u>	22.41
SWEST	44.29	85.78	9.25 <u>11.97</u>	19.18
LPN	34.12	72.49	5.13 <u>6.36</u>	19.09
SPN	29.53	61.50	8.42 <u>11.48</u>	24.37
EPN	48.21	106.72	9.50 <u>13.13</u>	34.04
SPD	41.47	74.55	42.95 <u>54.33</u>	110.97
SPMW	27.84	50.62	24.67 <u>31.10</u>	60.25
SSEH	13.77	27.43	6.55 <u>7.67</u>	24.31
SSSES	48.02	104.71	9.99 <u>12.13</u>	46.86

Annex 3: Proposed modifications to Special Condition 3.9 of the Electricity Distribution Licence held by South Eastern Power Networks plc

(New text is double underscored and text removed is double struck through.)

Special Condition 3.9 Load Related Expenditure volume drivers (SRVD_t and LVSVD_t)

Introduction

- 9.9.1 The purpose of this condition is to calculate the terms SRVD_t (the secondary reinforcement volume driver term) and LVSVD_t (the Low Voltage services volume driver term). These terms contribute to the calculation of the Totex Allowance (in relation to which see the ED2 Price Control Financial Model).
- 9.9.2 The effect of this condition is to fund the licensee for Load Related Expenditure related to the activities listed at Appendix 1 and Appendix 2 during the Price Control Period.
- 9.9.3 This condition also establishes the Load Related Expenditure Volume Drivers Governance Document and the RIIO-ED2 LRE Volume Drivers Workbook as a licence instruments.

Part A: Formulae for calculating the secondary reinforcement volume driver term (SRVD_t)

- 9.9.4 The value of SRVD_t is derived in accordance with the following formula:

$$SRVD_t = \frac{\sum_i SRUC_{t,i} \times SRCD_{t,i}}{1,000,000}$$

where:

- $SRUC_{t,i}$ means the unit cost of activity type i, set out in Appendix 1; and
 $SRCD_{t,i}$ means the volumes of activity delivered of type i, as set out in Appendix 1.

- 9.9.5 The value of SRVD across the Price Control Period cannot exceed the cap set out in Appendix 3.
- 9.9.6 The value of SRUC_{t,i} for gross MVA or km deferred through the procurement of flexibility services is derived in accordance with the following formula:

$$SRUC_{t,i} \times \left(1 - \left(\frac{1}{(1 + WACC_t)^n} \right) \right)$$

where:

- $SRUC_{t,i}$ means the unit cost for secondary reinforcement activity type i, that is being deferred by flexibility;

- WACC_t means vanilla weighted average cost of capital, derived in accordance with Chapter 4 of the ED2 Price Control Financial Handbook; and
- n means the forecast number of years of reinforcement deferral which cannot be more than five years.

Part B: Formula for calculating the Low Voltage services volume driver term (LVSVD_t)

9.9.7 The value of LVSVD_t is derived in accordance with the following formula:

$$LVSVD_t = \frac{\sum_i LVSUC_{t,i} \times LVSAR_{t,i}}{1,000,000}$$

where:

- LVSUC_{t,i} means the unit cost of activity type i, set out in Appendix 2; and
- LVSAR_{t,i} means the volumes of activity delivered of type i, as set out in Appendix 2.

9.9.8 The value of LVSVD across the Price Control Period cannot exceed the cap set out in Appendix 3.

Part C: Load Related Expenditure Volume Drivers Governance Document

9.9.9 The Load Related Expenditure Volume Drivers Governance Document forms part of this condition.

9.9.10 The Load Related Expenditure Volume Drivers Governance Document may make provision about the scope, governance, administration and review of the Load Related Expenditure volume drivers.

9.9.11 The licensee must comply with the Load Related Expenditure Volume Drivers Governance Document when:

- (a) incurring expenditure under these volume drivers; and
- (b) in relation to the review of the volume drivers.

9.9.12 The Authority may only direct modifications to the Load Related Expenditure Volume Drivers Governance Document where:

- (a) it becomes aware of modifications of the type set out in paragraph 3.9.14 that would improve the clarity or usefulness to users of the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the modification will have no impact on the licensee's Allowed Revenue.

9.9.13 For the purposes of paragraph 3.9.12, it is to be presumed that a modification which serves to correct a manifest error will have no impact on the licensee's Allowed Revenue.

- 9.9.14 The following categories of modifications may be made under this Part:
- (a) formatting changes such as re-numbering of paragraphs, capitalising defined terms, cell labelling, renaming or re-ordering of sections or worksheets;
 - (b) deleting irrelevant material such as transitional provisions that have expired;
 - (c) updates such as to dates, version numbers of documents, titles of re-enacted legislation and re-named bodies;
 - (d) consequential changes required to reflect modifications made to the special conditions such as amendments made to the Appendices to this condition; and
 - (e) corrections of manifest errors such as discrepancies between the Load Related Expenditure Volume Drivers Governance Document and the other special conditions.
- 9.9.15 Before making a direction under paragraph 3.9.12, the Authority must send to the licensee and publish on the Authority's Website:
- (a) the text of the proposed direction;
 - (b) the reasons for the proposed direction, including why the Authority believes that the modifications meet the requirements of 3.9.12 and 3.9.14; and
 - (c) a period during which representations may be made on the proposed direction, which must not be less than 28 days.
- 9.9.16 A direction under this Part must set out:
- (a) the modifications to the Load Related Expenditure Volume Drivers Governance Document; and
 - (b) the date from which it is to have effect or the mechanism by which that date is to be determined.
- 9.9.17 The Authority must:
- (a) ensure that any modifications of the Load Related Expenditure Volume Drivers Governance Document, whether under this Part or otherwise, are promptly incorporated into a consolidated version of the Load Related Expenditure Volume Drivers Governance Document;
 - (b) send the consolidated version to the licensee; and
 - (c) maintain a consolidated version on the Authority's Website.

Appendix 1

SRVD_t unit cost by activity type (£)

Type i	Activity delivered SRCD _{t,i}	SRUC _{t,i}
1	Gross MVA released by installing a ground mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£68,020/MVA
2	Gross MVA released by installing a pole mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£96,210/MVA
3	Gross kilometres (km) of Low Voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£151,960/km
4	Gross kilometres (km) of high voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£136,860/km
5	Gross kilometres (km) of Low Voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£53,520/km
6	Gross kilometres (km) of high voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£42,580/km
7	Gross MVA or km deferred through the procurement of flexibility services, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	Derived in accordance with paragraph 3.9.6

Appendix 2

LVSVD_t unit cost by activity type (£)

Type i	Activity delivered LVSAR _{t,i}	LVSUC _{t,i} (Effective until <u>31 March</u> <u>2026</u>)	LVSUC _{t,i} (Effective <u>from 1 April</u> <u>2026</u>)
1	Overhead pole line – Low Voltage Service (overhead line) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£370 each	<u>£1,550 each</u>
2	Cable – Low Voltage Service (underground cable) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£1,730 each	<u>£2,850 each</u>

3	Switchgear - cut out (Metered) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£320 each	<u>£320 each</u>
4	Switchgear – fuse upgrade additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£130 each	<u>£130 each</u>

Appendix 3

SRVD and LVSVD – Ex ante allowances and caps for the Price Control Period (£m)

Licensee	SRVD (£m)		LVSVD (£m)	
	Ex ante allowance for RIIO-ED2	SRVD Cap	Ex ante allowance for RIIO-ED2	LVSVD Cap
ENWL	19.77	39.20 <u>52.30</u>	21.18 <u>26.33</u>	110.83
NPgN	35.45	62.53	18.59 <u>24.80</u>	49.71
NPgY	76.14	114.17	31.43 <u>42.04</u>	74.88
WMID	64.76	119.33	18.64 <u>23.48</u>	35.04
EMID	56.44	111.52	20.94 <u>26.52</u>	48.46
SWALES	39.22	65.04	6.55 <u>8.59</u>	22.41
SWEST	44.29	85.78	9.25 <u>11.97</u>	19.18
LPN	34.12	72.49	5.13 <u>6.36</u>	19.09
SPN	29.53	61.50	8.42 <u>11.48</u>	24.37
EPN	48.21	106.72	9.50 <u>13.13</u>	34.04
SPD	41.47	74.55	42.95 <u>54.33</u>	110.97
SPMW	27.84	50.62	24.67 <u>31.10</u>	60.25
SSEH	13.77	27.43	6.55 <u>7.67</u>	24.31
SSSES	48.02	104.71	9.99 <u>12.13</u>	46.86

Annex 4: Proposed modifications to Special Condition 3.9 of the Electricity Distribution Licence held by Eastern Power Networks plc

(New text is double underscored and text removed is double struck through.)

Special Condition 3.9 Load Related Expenditure volume drivers (SRVD_t and LVSVD_t)

Introduction

- 12.9.1 The purpose of this condition is to calculate the terms SRVD_t (the secondary reinforcement volume driver term) and LVSVD_t (the Low Voltage services volume driver term). These terms contribute to the calculation of the Totex Allowance (in relation to which see the ED2 Price Control Financial Model).
- 12.9.2 The effect of this condition is to fund the licensee for Load Related Expenditure related to the activities listed at Appendix 1 and Appendix 2 during the Price Control Period.
- 12.9.3 This condition also establishes the Load Related Expenditure Volume Drivers Governance Document and the RIIO-ED2 LRE Volume Drivers Workbook as a licence instruments.

Part A: Formulae for calculating the secondary reinforcement volume driver term (SRVD_t)

- 12.9.4 The value of SRVD_t is derived in accordance with the following formula:

$$SRVD_t = \frac{\sum_i SRUC_{t,i} \times SRCD_{t,i}}{1,000,000}$$

where:

- $SRUC_{t,i}$ means the unit cost of activity type i, set out in Appendix 1; and
 $SRCD_{t,i}$ means the volumes of activity delivered of type i, as set out in Appendix 1.

- 12.9.5 The value of SRVD across the Price Control Period cannot exceed the cap set out in Appendix 3.
- 12.9.6 The value of SRUC_{t,i} for gross MVA or km deferred through the procurement of flexibility services is derived in accordance with the following formula:

$$SRUC_{t,i} \times \left(1 - \left(\frac{1}{(1 + WACC_t)^n} \right) \right)$$

where:

- $SRUC_{t,i}$ means the unit cost for secondary reinforcement activity type i, that is being deferred by flexibility;

WACC_t means vanilla weighted average cost of capital, derived in accordance with Chapter 4 of the ED2 Price Control Financial Handbook; and

n means the forecast number of years of reinforcement deferral which cannot be more than five years.

Part B: Formula for calculating the Low Voltage services volume driver term (LVSVD_t)

12.9.7 The value of LVSVD_t is derived in accordance with the following formula:

$$LVSVD_t = \frac{\sum_i LVSUC_{t,i} \times LVSAR_{t,i}}{1,000,000}$$

where:

LVSUC_{t,i} means the unit cost of activity type i, set out in Appendix 2; and

LVSAR_{t,i} means the volumes of activity delivered of type i, as set out in Appendix 2.

12.9.8 The value of LVSVD across the Price Control Period cannot exceed the cap set out in Appendix 3.

Part C: Load Related Expenditure Volume Drivers Governance Document

12.9.9 The Load Related Expenditure Volume Drivers Governance Document forms part of this condition.

12.9.10 The Load Related Expenditure Volume Drivers Governance Document may make provision about the scope, governance, administration and review of the Load Related Expenditure volume drivers.

12.9.11 The licensee must comply with the Load Related Expenditure Volume Drivers Governance Document when:

- (a) incurring expenditure under these volume drivers; and
- (b) in relation to the review of the volume drivers.

12.9.12 The Authority may only direct modifications to the Load Related Expenditure Volume Drivers Governance Document where:

- (a) it becomes aware of modifications of the type set out in paragraph 3.9.14 that would improve the clarity or usefulness to users of the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the modification will have no impact on the licensee's Allowed Revenue.

12.9.13 For the purposes of paragraph 3.9.12, it is to be presumed that a modification which serves to correct a manifest error will have no impact on the licensee's Allowed Revenue.

12.9.14 The following categories of modifications may be made under this Part:

- (a) formatting changes such as re-numbering of paragraphs, capitalising defined terms, cell labelling, renaming or re-ordering of sections or worksheets;
- (b) deleting irrelevant material such as transitional provisions that have expired;
- (c) updates such as to dates, version numbers of documents, titles of re-enacted legislation and re-named bodies;
- (d) consequential changes required to reflect modifications made to the special conditions such as amendments made to the Appendices to this condition; and
- (e) corrections of manifest errors such as discrepancies between the Load Related Expenditure Volume Drivers Governance Document and the other special conditions.

12.9.15 Before making a direction under paragraph 3.9.12, the Authority must send to the licensee and publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the reasons for the proposed direction, including why the Authority believes that the modifications meet the requirements of 3.9.12 and 3.9.14; and
- (c) a period during which representations may be made on the proposed direction, which must not be less than 28 days.

12.9.16 A direction under this Part must set out:

- (a) the modifications to the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the date from which it is to have effect or the mechanism by which that date is to be determined.

12.9.17 The Authority must:

- (a) ensure that any modifications of the Load Related Expenditure Volume Drivers Governance Document, whether under this Part or otherwise, are promptly incorporated into a consolidated version of the Load Related Expenditure Volume Drivers Governance Document;
- (b) send the consolidated version to the licensee; and
- (c) maintain a consolidated version on the Authority's Website.

Appendix 1

SRVD_t unit cost by activity type (£)

Type i	Activity delivered SRCD _{t,i}	SRUC _{t,i}
1	Gross MVA released by installing a ground mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£66,010/MVA
2	Gross MVA released by installing a pole mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£93,370/MVA
3	Gross kilometres (km) of Low Voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£147,480/km
4	Gross kilometres (km) of high voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£132,820/km
5	Gross kilometres (km) of Low Voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£51,940/km
6	Gross kilometres (km) of high voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£41,330/km
7	Gross MVA or km deferred through the procurement of flexibility services, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	Derived in accordance with paragraph 3.9.6

Appendix 2

LVSVD_t unit cost by activity type (£)

Type i	Activity delivered LVSAR _{t,i}	LVSUC _{t,i} (Effective until <u>31 March</u> <u>2026</u>)	LVSUC _{t,i} (Effective <u>from 1 April</u> <u>2026</u>)
1	Overhead pole line – Low Voltage Service (overhead line) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£360 each	<u>£1,500 each</u>
2	Cable – Low Voltage Service (underground cable) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£1,670 each	<u>£2,760 each</u>

3	Switchgear - cut out (Metered) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£310 each	<u>£310 each</u>
4	Switchgear – fuse upgrade additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£130 each	<u>£130 each</u>

Appendix 3

SRVD and LVSVD – Ex ante allowances and caps for the Price Control Period (£m)

Licensee	SRVD (£m)		LVSVD (£m)	
	Ex ante allowance for RIIO-ED2	SRVD Cap	Ex ante allowance for RIIO-ED2	LVSVD Cap
ENWL	19.77	39.20 <u>52.30</u>	21.18 <u>26.33</u>	110.83
NPgN	35.45	62.53	18.59 <u>24.80</u>	49.71
NPgY	76.14	114.17	31.43 <u>42.04</u>	74.88
WMID	64.76	119.33	18.64 <u>23.48</u>	35.04
EMID	56.44	111.52	20.94 <u>26.52</u>	48.46
SWALES	39.22	65.04	6.55 <u>8.59</u>	22.41
SWEST	44.29	85.78	9.25 <u>11.97</u>	19.18
LPN	34.12	72.49	5.13 <u>6.36</u>	19.09
SPN	29.53	61.50	8.42 <u>11.48</u>	24.37
EPN	48.21	106.72	9.50 <u>13.13</u>	34.04
SPD	41.47	74.55	42.95 <u>54.33</u>	110.97
SPMW	27.84	50.62	24.67 <u>31.10</u>	60.25
SSEH	13.77	27.43	6.55 <u>7.67</u>	24.31
SSSES	48.02	104.71	9.99 <u>12.13</u>	46.86

Annex 5: Proposed modifications to Special Condition 3.9 of the Electricity Distribution Licence held by SP Manweb plc

(New text is double underscored and text removed is double struck through.)

Special Condition 3.9 Load Related Expenditure volume drivers (SRVD_t and LVSVD_t)

Introduction

- 15.9.1 The purpose of this condition is to calculate the terms SRVD_t (the secondary reinforcement volume driver term) and LVSVD_t (the Low Voltage services volume driver term). These terms contribute to the calculation of the Totex Allowance (in relation to which see the ED2 Price Control Financial Model).
- 15.9.2 The effect of this condition is to fund the licensee for Load Related Expenditure related to the activities listed at Appendix 1 and Appendix 2 during the Price Control Period.
- 15.9.3 This condition also establishes the Load Related Expenditure Volume Drivers Governance Document and the RIIO-ED2 LRE Volume Drivers Workbook as a licence instruments.

Part A: Formulae for calculating the secondary reinforcement volume driver term (SRVD_t)

- 15.9.4 The value of SRVD_t is derived in accordance with the following formula:

$$SRVD_t = \frac{\sum_i SRUC_{t,i} \times SRCD_{t,i}}{1,000,000}$$

where:

- $SRUC_{t,i}$ means the unit cost of activity type i, set out in Appendix 1; and
- $SRCD_{t,i}$ means the volumes of activity delivered of type i, as set out in Appendix 1.

- 15.9.5 The value of SRVD across the Price Control Period cannot exceed the cap set out in Appendix 3.
- 15.9.6 The value of SRUC_{t,i} for gross MVA or km deferred through the procurement of flexibility services is derived in accordance with the following formula:

$$SRUC_{t,i} \times \left(1 - \left(\frac{1}{(1 + WACC_t)^n} \right) \right)$$

where:

- $SRUC_{t,i}$ means the unit cost for secondary reinforcement activity type i, that is being deferred by flexibility;

- WACC_t means vanilla weighted average cost of capital, derived in accordance with Chapter 4 of the ED2 Price Control Financial Handbook; and
- n means the forecast number of years of reinforcement deferral which cannot be more than five years.

Part B: Formula for calculating the Low Voltage services volume driver term (LVSVD_t)

15.9.7 The value of LVSVD_t is derived in accordance with the following formula:

$$LVSVD_t = \frac{\sum_i LVSUC_{t,i} \times LVSAR_{t,i}}{1,000,000}$$

where:

- LVSUC_{t,i} means the unit cost of activity type i, set out in Appendix 2; and
- LVSAR_{t,i} means the volumes of activity delivered of type i, as set out in Appendix 2.

15.9.8 The value of LVSVD across the Price Control Period cannot exceed the cap set out in Appendix 3.

Part C: Load Related Expenditure Volume Drivers Governance Document

15.9.9 The Load Related Expenditure Volume Drivers Governance Document forms part of this condition.

15.9.10 The Load Related Expenditure Volume Drivers Governance Document may make provision about the scope, governance, administration and review of the Load Related Expenditure volume drivers.

15.9.11 The licensee must comply with the Load Related Expenditure Volume Drivers Governance Document when:

- (a) incurring expenditure under these volume drivers; and
- (b) in relation to the review of the volume drivers.

15.9.12 The Authority may only direct modifications to the Load Related Expenditure Volume Drivers Governance Document where:

- (a) it becomes aware of modifications of the type set out in paragraph 3.9.14 that would improve the clarity or usefulness to users of the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the modification will have no impact on the licensee's Allowed Revenue.

15.9.13 For the purposes of paragraph 3.9.12, it is to be presumed that a modification which serves to correct a manifest error will have no impact on the licensee's Allowed Revenue.

15.9.14 The following categories of modifications may be made under this Part:

- (a) formatting changes such as re-numbering of paragraphs, capitalising defined terms, cell labelling, renaming or re-ordering of sections or worksheets;
- (b) deleting irrelevant material such as transitional provisions that have expired;
- (c) updates such as to dates, version numbers of documents, titles of re-enacted legislation and re-named bodies;
- (d) consequential changes required to reflect modifications made to the special conditions such as amendments made to the Appendices to this condition; and
- (e) corrections of manifest errors such as discrepancies between the Load Related Expenditure Volume Drivers Governance Document and the other special conditions.

15.9.15 Before making a direction under paragraph 3.9.12, the Authority must send to the licensee and publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the reasons for the proposed direction, including why the Authority believes that the modifications meet the requirements of 3.9.12 and 3.9.14; and
- (c) a period during which representations may be made on the proposed direction, which must not be less than 28 days.

15.9.16 A direction under this Part must set out:

- (a) the modifications to the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the date from which it is to have effect or the mechanism by which that date is to be determined.

15.9.17 The Authority must:

- (a) ensure that any modifications of the Load Related Expenditure Volume Drivers Governance Document, whether under this Part or otherwise, are promptly incorporated into a consolidated version of the Load Related Expenditure Volume Drivers Governance Document;
- (b) send the consolidated version to the licensee; and
- (c) maintain a consolidated version on the Authority's Website.

Appendix 1

SRVD_t unit cost by activity type (£)

Type i	Activity delivered SRCD _{t,i}	SRUC _{t,i}
1	Gross MVA released by installing a ground mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£66,630/MVA
2	Gross MVA released by installing a pole mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£94,250/MVA
3	Gross kilometres (km) of Low Voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£148,860/km
4	Gross kilometres (km) of high voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£134,070/km
5	Gross kilometres (km) of Low Voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£52,420/km
6	Gross kilometres (km) of high voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£41,710/km
7	Gross MVA or km deferred through the procurement of flexibility services, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	Derived in accordance with paragraph 3.9.6

Appendix 2

LVSVD_t unit cost by activity type (£)

Type i	Activity delivered LVSAR _{t,i}	LVSUC _{t,i} (Effective until <u>31 March</u> <u>2026</u>)	LVSUC _{t,i} (Effective <u>from 1 April</u> <u>2026</u>)
1	Overhead pole line – Low Voltage Service (overhead line) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£360 each	<u>£1,520 each</u>
2	Cable – Low Voltage Service (underground cable) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£1,690 each	<u>£2,790 each</u>

3	Switchgear - cut out (Metered) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£320 each	<u>£320 each</u>
4	Switchgear – fuse upgrade additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£130 each	<u>£130 each</u>

Appendix 3

SRVD and LVSVD – Ex ante allowances and caps for the Price Control Period (£m)

Licensee	SRVD (£m)		LVSVD (£m)	
	Ex ante allowance for RIIO-ED2	SRVD Cap	Ex ante allowance for RIIO-ED2	LVSVD Cap
ENWL	19.77	39.20 <u>52.30</u>	21.18 <u>26.33</u>	110.83
NPgN	35.45	62.53	18.59 <u>24.80</u>	49.71
NPgY	76.14	114.17	31.43 <u>42.04</u>	74.88
WMID	64.76	119.33	18.64 <u>23.48</u>	35.04
EMID	56.44	111.52	20.94 <u>26.52</u>	48.46
SWALES	39.22	65.04	6.55 <u>8.59</u>	22.41
SWEST	44.29	85.78	9.25 <u>11.97</u>	19.18
LPN	34.12	72.49	5.13 <u>6.36</u>	19.09
SPN	29.53	61.50	8.42 <u>11.48</u>	24.37
EPN	48.21	106.72	9.50 <u>13.13</u>	34.04
SPD	41.47	74.55	42.95 <u>54.33</u>	110.97
SPMW	27.84	50.62	24.67 <u>31.10</u>	60.25
SSEH	13.77	27.43	6.55 <u>7.67</u>	24.31
SSSES	48.02	104.71	9.99 <u>12.13</u>	46.86

Annex 6: Proposed modifications to Special Condition 3.9 of the Electricity Distribution Licence held by Southern Electric Power Distribution plc

(New text is double underscored and text removed is double struck through.)

Special Condition 3.9 Load Related Expenditure volume drivers (SRVD_t and LVSVD_t)

Introduction

- 18.9.1 The purpose of this condition is to calculate the terms SRVD_t (the secondary reinforcement volume driver term) and LVSVD_t (the Low Voltage services volume driver term). These terms contribute to the calculation of the Totex Allowance (in relation to which see the ED2 Price Control Financial Model).
- 18.9.2 The effect of this condition is to fund the licensee for Load Related Expenditure related to the activities listed at Appendix 1 and Appendix 2 during the Price Control Period.
- 18.9.3 This condition also establishes the Load Related Expenditure Volume Drivers Governance Document and the RIIO-ED2 LRE Volume Drivers Workbook as a licence instruments.

Part A: Formulae for calculating the secondary reinforcement volume driver term (SRVD_t)

- 18.9.4 The value of SRVD_t is derived in accordance with the following formula:

$$SRVD_t = \frac{\sum_i SRUC_{t,i} \times SRCD_{t,i}}{1,000,000}$$

where:

- $SRUC_{t,i}$ means the unit cost of activity type i, set out in Appendix 1; and
 $SRCD_{t,i}$ means the volumes of activity delivered of type i, as set out in Appendix 1.

- 18.9.5 The value of SRVD across the Price Control Period cannot exceed the cap set out in Appendix 3.
- 18.9.6 The value of SRUC_{t,i} for gross MVA or km deferred through the procurement of flexibility services is derived in accordance with the following formula:

$$SRUC_{t,i} \times \left(1 - \left(\frac{1}{(1 + WACC_t)^n} \right) \right)$$

where:

- $SRUC_{t,i}$ means the unit cost for secondary reinforcement activity type i, that is being deferred by flexibility;

- WACC_t means vanilla weighted average cost of capital, derived in accordance with Chapter 4 of the ED2 Price Control Financial Handbook; and
- n means the forecast number of years of reinforcement deferral which cannot be more than five years.

Part B: Formula for calculating the Low Voltage services volume driver term (LVSVD_t)

18.9.7 The value of LVSVD_t is derived in accordance with the following formula:

$$LVSVD_t = \frac{\sum_i LVSUC_{t,i} \times LVSAR_{t,i}}{1,000,000}$$

where:

- LVSUC_{t,i} means the unit cost of activity type i, set out in Appendix 2; and
- LVSAR_{t,i} means the volumes of activity delivered of type i, as set out in Appendix 2.

18.9.8 The value of LVSVD across the Price Control Period cannot exceed the cap set out in Appendix 3.

Part C: Load Related Expenditure Volume Drivers Governance Document

18.9.9 The Load Related Expenditure Volume Drivers Governance Document forms part of this condition.

18.9.10 The Load Related Expenditure Volume Drivers Governance Document may make provision about the scope, governance, administration and review of the Load Related Expenditure volume drivers.

18.9.11 The licensee must comply with the Load Related Expenditure Volume Drivers Governance Document when:

- (a) incurring expenditure under these volume drivers; and
- (b) in relation to the review of the volume drivers.

18.9.12 The Authority may only direct modifications to the Load Related Expenditure Volume Drivers Governance Document where:

- (a) it becomes aware of modifications of the type set out in paragraph 3.9.14 that would improve the clarity or usefulness to users of the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the modification will have no impact on the licensee's Allowed Revenue.

18.9.13 For the purposes of paragraph 3.9.12, it is to be presumed that a modification which serves to correct a manifest error will have no impact on the licensee's Allowed Revenue.

18.9.14 The following categories of modifications may be made under this Part:

- (a) formatting changes such as re-numbering of paragraphs, capitalising defined terms, cell labelling, renaming or re-ordering of sections or worksheets;
- (b) deleting irrelevant material such as transitional provisions that have expired;
- (c) updates such as to dates, version numbers of documents, titles of re-enacted legislation and re-named bodies;
- (d) consequential changes required to reflect modifications made to the special conditions such as amendments made to the Appendices to this condition; and
- (e) corrections of manifest errors such as discrepancies between the Load Related Expenditure Volume Drivers Governance Document and the other special conditions.

18.9.15 Before making a direction under paragraph 3.9.12, the Authority must send to the licensee and publish on the Authority's Website:

- (a) the text of the proposed direction;
- (b) the reasons for the proposed direction, including why the Authority believes that the modifications meet the requirements of 3.9.12 and 3.9.14; and
- (c) a period during which representations may be made on the proposed direction, which must not be less than 28 days.

18.9.16 A direction under this Part must set out:

- (a) the modifications to the Load Related Expenditure Volume Drivers Governance Document; and
- (b) the date from which it is to have effect or the mechanism by which that date is to be determined.

18.9.17 The Authority must:

- (a) ensure that any modifications of the Load Related Expenditure Volume Drivers Governance Document, whether under this Part or otherwise, are promptly incorporated into a consolidated version of the Load Related Expenditure Volume Drivers Governance Document;
- (b) send the consolidated version to the licensee; and
- (c) maintain a consolidated version on the Authority's Website.

Appendix 1

SRVD_t unit cost by activity type (£)

Type i	Activity delivered SRCD _{t,i}	SRUC _{t,i}
1	Gross MVA released by installing a ground mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£67,5800/MVA
2	Gross MVA released by installing a pole mounted Transformer, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£95,590/MVA
3	Gross kilometres (km) of Low Voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£150,990/km
4	Gross kilometres (km) of high voltage underground cables installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£135,990/km
5	Gross kilometres (km) of Low Voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£53,170/km
6	Gross kilometres (km) of high voltage overhead lines installed, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£42,310/km
7	Gross MVA or km deferred through the procurement of flexibility services, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	Derived in accordance with paragraph 3.9.6

Appendix 2

LVSVD_t unit cost by activity type (£)

Type i	Activity delivered LVSAR _{t,i}	LVSUC _{t,i} (Effective until <u>31 March</u> <u>2026</u>)	LVSUC _{t,i} (Effective <u>from 1 April</u> <u>2026</u>)
1	Overhead pole line – Low Voltage Service (overhead line) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£370 each	<u>£1,540 each</u>
2	Cable – Low Voltage Service (underground cable) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£1,710 each	<u>£2,830 each</u>

3	Switchgear - cut out (Metered) additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£320 each	<u>£320 each</u>
4	Switchgear – fuse upgrade additions, determined in accordance with the Load Related Expenditure Volume Drivers Governance Document	£130 each	<u>£130 each</u>

Appendix 3

SRVD and LVSVD – Ex ante allowances and caps for the Price Control Period (£m)

Licensee	SRVD (£m)		LVSVD (£m)	
	Ex ante allowance for RIIO-ED2	SRVD Cap	Ex ante allowance for RIIO-ED2	LVSVD Cap
ENWL	19.77	39.20 <u>52.30</u>	21.18 <u>26.33</u>	110.83
NPgN	35.45	62.53	18.59 <u>24.80</u>	49.71
NPgY	76.14	114.17	31.43 <u>42.04</u>	74.88
WMID	64.76	119.33	18.64 <u>23.48</u>	35.04
EMID	56.44	111.52	20.94 <u>26.52</u>	48.46
SWALES	39.22	65.04	6.55 <u>8.59</u>	22.41
SWEST	44.29	85.78	9.25 <u>11.97</u>	19.18
LPN	34.12	72.49	5.13 <u>6.36</u>	19.09
SPN	29.53	61.50	8.42 <u>11.48</u>	24.37
EPN	48.21	106.72	9.50 <u>13.13</u>	34.04
SPD	41.47	74.55	42.95 <u>54.33</u>	110.97
SPMW	27.84	50.62	24.67 <u>31.10</u>	60.25
SSEH	13.77	27.43	6.55 <u>7.67</u>	24.31
SSSES	48.02	104.71	9.99 <u>12.13</u>	46.86