#### Special Condition 6F. Baseline Generation Connection Outputs and Generation Connections volume driver

Introduction

1. The purposes of this condition are:
2. to specify the basis on which the licensee’s Allowed Expenditure for transmission infrastructure works for Sole-use Generation Connections Capacity, Shared-use Generation Connections Capacity and Atypical Generation Connections Capacity (together ‘Generation Connections’) are to be determined; and
3. to determine any appropriate revisions to the PCFM Variable Values relating to Generation Connections Expenditure (‘GCE’ values) and the Relevant Years to which those revised GCE values relate for use in the Annual Iteration Process for the ET1 Price Control Financial Model as described in Special Condition 5B (Annual Iteration Process for the ET1 Price Control Financial Model).
4. The GCE values calculated for a particular Relevant Year t is the amount of Allowed Expenditure (in 2009/10 prices) for transmission infrastructure works undertaken by the licensee in Relevant Years of the Price Control Period to deliver Generation Connections. The GCE values as at 1 April 2013 are equal to the forecast amounts of Allowed Expenditure specified at the outset of the Price Control Period.
5. The application of the mechanisms set out in this condition provides for:
6. the specification of the baseline Threshold Capacity of Generation Connections and the Allowed Expenditure for that Threshold Capacity of Generation Connections;
7. the determination of Allowed Expenditure for the licensee's forecast of Generation Connections above the Threshold Capacity the licensee will deliver in Relevant Years;
8. the determination of Allowed Expenditure for the Generation Connections above the Threshold Capacity the licensee has delivered in Relevant Years; and
9. the direction of revised GCE values to reflect changes to Allowed Expenditure so that, as a consequence of the Annual Iteration Process, the value of the term MOD as calculated for Relevant Year t for the purposes of Part C of Special Condition 3A (Restriction of Transmission Network Revenue) will result in an adjustment of the licensee’s Base Transmission Revenue in a manner that:
10. reflects Allowed Expenditure amounts determined under Part E of this condition; and
11. takes account of Allowed Expenditure on Generation Connections for the purposes of the Totex Incentive Mechanism Adjustment.
12. This condition should be read and construed in conjunction with:
13. the summary of the mechanism as published by the Authority in Final Proposals April 2012 and the Generation Connections volume driver model for the licensee which forms part of Standard Condition B15 (Regulatory Instructions Guidance); and
14. Special Condition 5B, and Special Condition 5A (Governance of ET1 Price Control Financial Instruments).

Part A: Baseline Allowed Expenditure for Generation Connections Capacity Thresholds

1. Table 1 in this condition sets out the licensee’s Allowed Expenditure, BSLE and BSHE, to deliver the respective Threshold Capacity of Sole-use Generation Connections and Shared-use Generation Connections over the Price Control Period.

Table 1: Allowed Expenditure for Generation Connections

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Threshold Capacity** |  | **Allowed Expenditure profile,**  **£m, 2009/10 prices, year ending 31 March** | | | | | | | |
| **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
| Sole-use 1,168MW | BSLE | 17.645 | 21.923 | 22.031 | 17.582 | 14.161 | 5.506 | 0.000 | 0.000 |
| Shared-use 1,006MVA | BSHE | 0.215 | 6.020 | 45.944 | 30.881 | 0.000 | 0.000 | 0.000 | 0.000 |

1. The Allowed Expenditure set out in Table 1 of this condition have been reflected in:
2. the licensee’s Opening Base Revenue Allowance, set against the licensee’s name in Appendix 1 to Special Condition 3A; and
3. GCE values contained in the PCFM Variable Values Table for the Licensee contained in the ET1 Price Control Financial Model as at 1 April 2013.
4. The licensee must report on the Generation Connections the licensee has Delivered after 31 March 2013, and on the actual expenditure the licensee has incurred in accordance with the RIGs issued in accordance with Standard Condition B15.
5. If the licensee does not Deliver the Sole-use Generation Connection Capacity and Shared-used Generation Connection Capacity up to Threshold Capacity specified in Table 1 of this condition by the end of the Price Control Period the Authority will adjust the amount of BSLE and BSHE such that the licensee’s Allowed Expenditure in each Relevant Year of the Price Control Period reflects the amount of Generation Connections Delivered by the licensee, as calculated by the relevant provisions of this condition.

Part B: Allowed expenditure for Generation Connections

1. The value of GCE is to be determined in respect of the Relevant Year t (where this term has the same meaning as defined in 1A.5 of this licence) and with respect to the actual year of delivery of any given output from among its Relevant Years n (where Relevant Years n has the same meaning as defined in 1A.5 of this licence) and, GCE is defined in accordance with the following formula (in this condition, “the Principal Formula”):

where, in each case:

|  |  |
| --- | --- |
| FGCEt,n | means Allowed Expenditure for Generation Connections the licensee forecasts to deliver in future Relevant Years determined in accordance with Part C of this condition. |
| DGCEt,n | means the Allowed Expenditure for Generation Connections Delivered by licensee, determined in accordance with Part D of this condition. |

Part C: Forecast Expenditure for Generation Connections

1. For the purposes of the Principal Formula, the value of FGCEt,n is the Allowed Expenditure in respect of Relevant Year t for each Relevant Year and is to be calculated as follows:

where:

|  |  |
| --- | --- |
| FSLt,n | means the Allowed Expenditure for the licensee’s forecast of additional Sole-use Generation Connection Capacity delivered as at 31 March Relevant Year t+3, excluding Atypical Sole-use Generation Connection Capacity, calculated in accordance with paragraph 6F.11 of this condition. |
| FSHt,n | means the Allowed Expenditure for the licensee’s forecast of additional Shared-use Generation Connection Capacity delivered as at 31 March Relevant Year t+3, excluding Atypical Shared-use Generation Connection Capacity, calculated in accordance with paragraph 6F.12 of this condition. |
| FASLt,n | Means the Allowed Expenditure for the licensee’s forecast of additional Atypical Sole-use Generation Connection Capacity delivered as at 31 March Relevant Year t+3 calculated in accordance with paragraph 6F.13 of this condition. |
| FASHt,n | means the Allowed Expenditure for the licensee’s forecast of additional Atypical Shared-use Generation Connection Capacity delivered as at 31 March Relevant Year t+3 calculated in accordance with paragraph 6F.14 of this condition. |

1. The value of FSLt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 3 in accordance with the following formulae as is applicable:

(i) If SLFn ≤ 1168 or n – m < 2014 or t < n or t ≥ n + 2 then:

FSL t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| SLF n-m /SLF n-m-1 | means the licensee’s four year ahead forecast of the Sole-use Generation Capacity as at 31 March that are backed with a signed TOCA. |
| RPEn-m | means the adjustment factor for real price effects for expenditure in Relevant Year n-m set out in Appendix 1 to this condition. |
| DSLGn-m | means the Delivered Sole-use Generation Connection Capacity as at 31 March of the Relevant Year |



1. The value of FSHt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 3 in accordance with the following formulae as is applicable:

(i) If SHFn ≤ 1006 or t – m < 2014 or t < n or t ≥ n + 2 then:

FSH t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| SHF n-m/SHF n-m-1 | means the licensee’s four year ahead forecast of the Shared-use Generation Capacity as at 31 March that are backed with a signed TOCA. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| DSHGn-m | means the Delivered Shared-use Generation Connection Capacity as at 31 March of the Relevant Year |

1. The value of FASLt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 3 in accordance with the following formulae as is applicable:

(i) If t – m < 2014 or t < n or t ≥ n + 2 then:

FASL t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
|  |  |
|  |  |
|  |  |
|  |  |
| ASLF n-m/ASLF n-m-1 | means the licensee’s four year ahead forecast of the Atypical Sole-use Generation Capacity as at 31 March that are backed with a signed TOCA. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| DASLGn-m | means the Delivered Atypical Sole-use Generation Connection Capacity as at 31 March of the Relevant Year |
| FASLCj,n-m | means the licensee's four year ahead forecast of the total efficient costs of delivering Atypical Sole-use Generation Connections Capacity as at 31 March that are backed with a signed TOCA, in 2009/10 prices. |

1. The value of FASHt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 3 in accordance with the following formulae as is applicable:

(i) If t – m < 2014 or t < n or t ≥ n + 2 then:

FASH t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| ASHF n-m/ASHF n-m-1 | means the licensee’s four year ahead forecast of the Atypical Shared-use Generation Capacity as at 31 March that are backed with a signed TOCA. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| DASHGn-m | means the Delivered Atypical Shared -use Generation Connection Capacity as at 31 March of the Relevant Year |
| FASHCj,n-m | means the licensee's four year ahead forecast of the total efficient costs of delivering Atypical Shared -use Generation Connections Capacity as at 31 March that are backed with a signed TOCA, in 2009/10 prices. |



Part D: Allowed expenditure for Delivered Generation Connections

1. For the purposes of the Principal Formula, the value of DGCEt,n is the Allowed Expenditure of Relevant Year n for Relevant Year t for and is to be calculated as follows:

where:

|  |  |
| --- | --- |
|  | means the Allowed Expenditure for Sole-use Generation Connection Capacity delivered as at 31 March of Relevant Year n=t-2 and for works undertaken to deliver Sole-use Generation Connection Capacity in Relevant Years n=t-1 and n=t, excluding Atypical Sole-use Generation Connection Capacity, determined in accordance with paragraph 6F.16 of this condition. |
|  | means the Allowed Expenditure for Shared-use Generation Connection Capacity delivered as at 31 March of Relevant Year n=t-2 and for works undertaken to deliver Shared-use Generation Connection Capacity in Relevant Years n=t-1 and n=t, excluding Atypical Shared-use Connections Capacity, calculated in accordance with paragraph 6F.20 of this condition. |
|  | means the Allowed Expenditure for Atypical Sole-use Generation Connection Capacity delivered as at 31 March of Relevant Year n=t-2 and for works undertaken to deliver Sole-use Generation Connection Capacity in Relevant Years n=t-1 and n=t, determined in accordance with paragraph 6F.24 of this condition. |
|  | means the Allowed Expenditure for Atypical Shared-use Generation Connection Capacity delivered as at 31 March of Relevant Year n=t-2 and for works undertaken to deliver Shared-use Generation Connection Capacity in Relevant Years n=t-1 and n=t, calculated in accordance with paragraph 6F.28 of this condition. |

1. The amount of is to be calculated in respect of Relevant Year t for each Relevant Year for accordance with the following such formula:

where:

|  |  |
| --- | --- |
|  |  |
| BSLEn | means the Allowed Expenditure for Sole-use Generation Connection Capacity in Relevant Year n set out in Table 1 in Part A of this condition. |
| RPEn | has the same meaning as RPEn in paragraph 6F. 11 in this condition. |
| OSLE t,n | means the Allowed Expenditure for Sole-use Generation Connection Capacity delivered by the licensee in Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.17 of this condition. |
| OPSL t,n | means the Allowed Expenditure for operation and maintenance in Relevant Year n for the Sole-use Generation Connections Capacity delivered by the licensee as at March 31 Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.18 of this condition. |
| FSLA t,n | means the adjusted forecast expenditure for works undertaken in Relevant Year n for Sole-use Generation Connection Capacity to be delivered in future Relevant Years and is to be calculated in accordance with the formula in paragraph 6F.19 of this condition. |

1. The value of OSLEt,n is to be calculated in respect of Relevant Year t for Relevant Years n in accordance with the following formula where where m = 0 to 3:

(i) If DSLGn ≤ 1168 or WFn ≤ 0 or n - m < 2014 or t – 2 < n then:

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DSLGn / DSLGn-1 | has the same meaning as given in paragraph 6F.11 of this condition. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| WFn | takes the value of 4 or n – 2014 + 1, whichever is the minimum. |

1. The value of OPSLt,n in respect of Relevant Year t is to be calculated for Relevant Years n in accordance with the following formulae as is applicable:

(i) For t – 2 < n or n = 2014:

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DSLGn | has the same meaning as given in paragraph 6F.11 of this condition. |
| RPEn | has the same meaning as given in paragraph 6F.11 of this condition. |

1. The value of FSLAt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 2 in accordance with the following formulae as is applicable:

(i) If n – m – 1 <2014 or t >= n – m – 1 + 3 or n – m – 1 < t or n ≤ t then:

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| SLF n-1/SLF n-2 | means the licensee’s four year ahead forecast of the Relevant Years for the Sole-use Generation Capacity as at 31 March that are backed with a signed TOCA. |
| RPEn-m-1 | has the same meaning as given in paragraph 6F.11 of this condition. |
| DSLGn-1 | has the same meaning as given in paragraph 6F.11 of this condition. |

1. The amount of is to be calculated in respect of Relevant Year t for each Relevant Year for accordance with the following such formula:



where:

|  |  |
| --- | --- |
|  |  |
| BSHEn | means the Allowed Expenditure for Shared-use Generation Connection Capacity in Relevant Year n set out in Table 1 in Part A of this condition. |
| RPEn | has the same meaning as RPEn in paragraph 6F. 11 in this condition. |
| OSHE t,n | means the Allowed Expenditure for Shared-use Generation Connection Capacity delivered by the licensee in Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.17 of this condition. |
| OPSH t,n | means the Allowed Expenditure for operation and maintenance in Relevant Year n for the Shared-use Generation Connections Capacity delivered by the licensee as at March 31 Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.18 of this condition. |
| FSHA t,n | means the adjusted forecast expenditure for works undertaken in Relevant Year n for Shared-use Generation Connection Capacity to be delivered in future Relevant Years and is to be calculated in accordance with the formula in paragraph 6F.19 of this condition. |

1. The value of OSHEt,n is to be calculated in respect of Relevant Year t for Relevant Years n in accordance with the following formula where where m = 0 to 3:

(i) If DSHGn ≤ 1006 or WFn-m ≤ 0 or n - m < 2014 or t – 2 < n then:

OSHE t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DSHGn-m / DSHGn-m-1 | has the same meaning as given in paragraph 6F.12 of this condition. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| WFn | has the same meaning as given in paragraph 6F.17 of this condition. |

|  |  |
| --- | --- |
|  |  |

1. The value of OPSHt,n in respect of Relevant Year t is to be calculated for Relevant Years n in accordance with the following formulae as is applicable:

(i) For t – 2 < n or n = 2014:

OPSH t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DSHGn | has the same meaning as given in paragraph 6F.12 of this condition. |
| RPEn | has the same meaning as given in paragraph 6F.11 of this condition. |







1. The value of FSHAt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 2 in accordance with the following formulae as is applicable:

(i) If n – m – 1 <2014 t >= n – m – 1 + 3 or n – m – 1 < t or n ≤ t then:

FSHA t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| SHF n-m-1/SHF n-m-2 | means the licensee’s four year ahead forecast of the Relevant Years for the Shared-use Generation Capacity as at 31 March that are backed with a signed TOCA. |
| RPEn-m-1 | has the same meaning as given in paragraph 6F.11 of this condition. |
| DSHGn-m-1 | has the same meaning as given in paragraph 6F.12 of this condition. |



1. The amount of is to be calculated in respect of Relevant Year t for each Relevant Year for accordance with the following such formula:

DASLE t,t-n = OASLE t,t-n + OPASL t,t-n + FASLA t,t-n

where:

|  |  |
| --- | --- |
| OASLE t,n | means the Allowed Expenditure for Atypical Sole-use Generation Connection Capacity delivered by the licensee in Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.25 of this condition. |
| OPASLt,n | means the Allowed Expenditure for operation and maintenance in Relevant Year n for the Atypical Sole-use Generation Connections Capacity delivered by the licensee as at March 31 Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.26 of this condition. |
| FASLA t,n | means the adjusted forecast expenditure for works undertaken in Relevant Year n for Atypical Sole-use Generation Connection Capacity to be delivered in future Relevant Years and is to be calculated in accordance with the formula in paragraph 6F.27 of this condition. |

1. The value of OASLEt,n is to be calculated in respect of Relevant Year t for Relevant Years n in accordance with the following formula where where m = 0 to 3:

(i) WFn-m ≤ 0 or n - m < 2014 or t – 2 < n then:

OASLE t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DASLGn-m / DASLGn-m-1 | has the same meaning as given in paragraph 6F.13 of this condition. |
| ASLCn-m | means the incurred cost of the total Atypical Sole-use Generation Connection Capacity delivered in Relevant Year, in 2009/10 prices. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| WFn | has the same meaning as given in paragraph 6F.17 of this condition. |

|  |  |
| --- | --- |
|  |  |

1. The value of OPASLt,n in respect of Relevant Year t is to be calculated for Relevant Years n in accordance with the following formulae as is applicable:

(i) For t – 2 < n or n = 2014:

OPSH t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DASLGn-m | has the same meaning as given in paragraph 6F.13 of this condition. |
| ASLCn-m | has the same meaning as given in paragraph 6F.25 of this condition. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |



1. The value of FASLAt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 2 in accordance with the following formulae as is applicable:

(i) If n – m – 1 < 2014 or t >= n – m – 1 + 3 or n – m – 1 > t or n ≤ t then:

FASLA t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| ASLF n-m-1/ASLF n-m-2 | has the same meaning as given in paragraph 6F.13 of this condition. |
| RPEn-m-1 | has the same meaning as given in paragraph 6F.11 of this condition. |
| DSLGn-m-1 | has the same meaning as given in paragraph 6F.13 of this condition. |



1. The amount of is to be calculated in respect of Relevant Year t for each Relevant Year for accordance with the following such formula:

DASHE t,t-n = OASHE t,t-n + OPASH t,t-n + FASHA t,t-n

where:

|  |  |
| --- | --- |
|  |  |
| OASHEt,n | means the Allowed Expenditure for Atypical Shared-use Generation Connection Capacity delivered by the licensee in Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.29 of this condition. |
| OPASH t,n | means the Allowed Expenditure for operation and maintenance in Relevant Year n for the Atypical Shared -use Generation Connections Capacity delivered by the licensee as at March 31 Relevant Year n and is to be calculated in accordance with the formula in paragraph 6F.30 of this condition. |
| FASHA t,t-n | means the adjusted forecast expenditure for works undertaken in Relevant Year n for Atypical Shared -use Generation Connection Capacity to be delivered in future Relevant Years and is to be calculated in accordance with the formula in paragraph 6F.31 of this condition. |

1. The value of OASHEt,n is to be calculated in respect of Relevant Year t for Relevant Years n in accordance with the following formula where where m = 0 to 3:

(i) WFn-m ≤ 0 or n - m < 2014 or t – 2 < n then:

OASHE t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DASHGn-m / DASHGn-m-1 | has the same meaning as given in paragraph 6F.14 of this condition. |
| ASHCn-m | means the incurred cost of the total Atypical Shared-use Generation Connection Capacity delivered in Relevant Year, in 2009/10 prices. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |
| WFn | has the same meaning as given in paragraph 6F.17 of this condition. |

|  |  |
| --- | --- |
|  |  |

1. The value of OPASLt,n in respect of Relevant Year t is to be calculated for Relevant Years n in accordance with the following formulae as is applicable:

(i) For t – 2 < n or n = 2014:

OPSH t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| DASHGn-m | has the same meaning as given in paragraph 6F.14 of this condition. |
| ASHCn-m | has the same meaning as given in paragraph 6F.29 of this condition. |
| RPEn-m | has the same meaning as given in paragraph 6F.11 of this condition. |



1. sThe value of FASHAt,n is to be calculated in respect of Relevant Year t for Relevant Years n for m = 0 to 2 in accordance with the following formulae as is applicable:

(i) If n – m – 1 < 2014 or t >= n – m – 1 + 3 or n – m – 1 > t or n ≤ t then:

FASHA t,n = 0

(ii) In all other cases:

where:

|  |  |
| --- | --- |
| ASHF n-m-1/ASHF n-m-2 | has the same meaning as given in paragraph 6F.14 of this condition. |
| RPEn-m-1 | has the same meaning as given in paragraph 6F.11 of this condition. |
| DSHGn-m-1 | has the same meaning as given in paragraph 6F.14 of this condition. |



Part E: Determination of revisions to GCE values by the Authority

1. The Authority will, by 30 November in each Relevant Year t-1, or as soon as reasonably practicable thereafter, issue a direction, in accordance with the provisions of Part F of this condition, specifying the revised GCE for Relevant Years n of the Price Control Period.
2. The GCE values directed by the Authority will be deemed to be set out in the format of Table 4 below showing the total amounts of Allowed Expenditure for Generation Connections for Relevant Years of the Price Control Period after any modifications calculated in accordance with the formulae set out in Part B of this condition.

Table 4: GCE values (£m, 2009/10 prices) after modifications in Part B (reading down columns)

| Relevant Year n | Relevant Year t | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
| 2014 |  |  |  |  |  |  |  |  |
| 2015 |  |  |  |  |  |  |  |  |
| 2016 |  |  |  |  |  |  |  |  |
| 2017 |  |  |  |  |  |  |  |  |
| 2018 |  |  |  |  |  |  |  |  |
| 2019 |  |  |  |  |  |  |  |  |
| 2020 |  |  |  |  |  |  |  |  |
| 2021 |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |

1. The Authority may also revise the GCE value for a Relevant Year, notwithstanding that the GCE values concerned might have been previously revised, provided that:
2. the revision is necessary to reflect a review by the Authority of the values of the terms in respect of the earlier Relevant Years or to correct errors in relation to those values;
3. the revised GCE value for the earlier Relevant Years is calculated in accordance with the formula set out in Part B of this condition;
4. the revised GCE value for the earlier Relevant Years is specified in a direction issued in accordance with the provisions of Part F of this condition; and
5. the earlier Relevant Years are no earlier than Regulatory Year 2013/14.

Part F: Procedure to be followed for the direction of revised GCE values

1. A direction issued by the Authority under paragraph 6F.32 of this condition is of no effect unless the Authority has first:
2. given notice to interested parties that it proposes to issue a direction under paragraph 6F.32 of this condition:
3. specifying the date on which it proposes that the direction should take effect;
4. stating, where appropriate, that any GCE values have been determined in accordance with Part B of this condition;
5. specifying the time (which must not be less than a period of 14 days) within which representations concerning the proposed direction may be made; and
6. considered any representations in response to the notice that are duly made and not withdrawn.
7. Where the Authority directs any revised GCE values for earlier Relevant Years under paragraph 6F.32 of this condition, the effect of using those revised GCE values in the Annual Iteration Process for the ET1 Price Control Financial Model will, subject to a Time Value of Money Adjustment as set out in Special Condition 5A, be reflected in the calculation of the term MOD for Relevant Year t and, for the avoidance of doubt, no previously directed value of the term MOD will be retrospectively affected.
8. If, for any reason in any Relevant Year t-1, the Authority does not make a direction in relation to revised GCE values by 30 November, then no revised GCE values will be used in the Annual Iteration Process that is required by Special Condition 5B to be undertaken by the Authority by 30 November in that same Relevant Year t-1. In those circumstances, the Authority will take full account of the position when determining and directing any revised GCE values in respect of the next Annual Iteration Process.

Appendix 1: Real Price Effects adjustment factors

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Relevant Year t** | | | | | | | |
| **2013/14** | **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** |
| 1.046 | 1.061 | 1.077 | 1.093 | 1.110 | 1.126 | 1.143 | 1.161 |