## **To the Company Secretary:**

Western Power Distribution (South West) plc Company Number: 02366894

DIRECTIONS ISSUED BY THE GAS AND ELECTRICITY MARKETS AUTHORITY TO WESTERN POWER DISTRIBUTION (SOUTH WEST) PLC UNDER THE SPECIAL CONDITIONS OF ITS ELECTRICITY DISTRIBUTION LICENCE IN RESPECT OF THE ANNUAL ITERATION PROCESS FOR THE ED1 PRICE CONTROL FINANCIAL MODEL (PCFM)

## **WHEREAS**

- 1. Western Power Distribution (South West) plc ('the licensee') is the holder of an electricity distribution licence ('the licence') granted or treated as granted under section 6(1)(c) of the Electricity Act 1989 ('the Act').
- 2. For the purposes of these directions:
- (a) the expression 'Regulatory Year t' has the same meaning as is given to it in CRC1B (Restriction of Allowed Distribution Network Revenue) of the licence and references to Regulatory Year t-1 are to be construed accordingly; and
- (b) Regulatory Year t for the purposes of these directions is the Regulatory Year that commences on 1 April 2018 and ends on 31 March 2019 ('Regulatory Year 2018/19').
- 3. Charge Restriction Condition CRC4B (Annual Iteration Process for the ED1 Price Control Financial Model) requires the Gas and Electricity Markets Authority ('the Authority') to:
- (a) carry out the Annual Iteration Process for the ED1 Price Control Financial Model; and
- (b) direct the value of the term MOD for Regulatory Year t for the purposes of the formula specified in Part C of CRC 2A (Restriction of Allowed Distribution Network Revenue); by 30 November in Regulatory Year t-1.
- 4. The following Special Conditions provide for the Authority to direct revised PCFM Variable Values for the licensee for the purpose of the Annual Iteration Process for the ED1 Price Control Financial Model that forms part of CRC4B (Annual Iteration Process for the ED1 Price Control Financial Model) of the license:
- CRC 3A (Legacy price control adjustments) in respect of LTPG, LTPS, LTPD, LTPC, OLREV, OLRAV and RIREV values;
- CRC 3B (Determination of PCFM Variable Values relating to actual Totex expenditure for Totex Incentive Mechanism Adjustments) in respect of ALC, ANLR, ANLO, AFE, ARP, ACO and TRE values;
- CRC 3C (Specified financial adjustments) in respect of EDE, TTE, TGIE and CDE values;
- CRC 3D (Innovation Roll-out mechanism) in respect of IRM values;
- CRC 3E (Smart Meter Roll-out Costs) in respect of SMAE values;
- CRC 3F (Arrangements for the recovery of uncertain costs) in respect of UCHVP, UCEPS and UCSSW;
- CRC 3G (Revising the allowed level of Load Related Expenditure) in respect of LRRC values;
- CRC 3H (Allowed expenditure on improving services to Worst Served Customers) in respect of WSCC values;
- CRC 3J (Allowed expenditure on Visual Amenity Projects) in respect of VAA values; and
- CRC 3K (Rail electrification adjustments) in respect to RE values.
- 5. Each of the Special Conditions referred to in paragraph 4:
- (a) sets out the basis on which any revisions to relevant PCFM Variable Values are to be determined; and
- (b) where applicable, specifies the price control financial methodology in accordance with which revisions to the relevant PCFM Variable Value(s) are to be determined and the chapter of the ED1 Price Control Financial Handbook containing that methodology.
- 6. The reason for this direction is to revise the PCFM Variable Values as used in the Annual Iteration Process for the ED1 Price Control Financial Model (as each of those terms is defined in CRC1B). The Annual Iteration Process is used to calculate the value of the term MOD for the purposes of the formula specified in CRC2A (Restriction of Allowed Distribution Network Revenue).
- 7. In accordance with requirements set out in the Special Conditions referred to in paragraph 4, on 15 November 2017 the Authority gave notice of the revised PCFM Variable Values that it proposed to direct by 30 November 2017 in Regulatory Year t-1 and specified that any representations concerning the proposed values should be made within fourteen days of receiving the notice.
- 8. The Authority received no representations.

**NOW** the Authority pursuant to the provisions of the Special Conditions referred to in paragraphs 3 and 4, **HEREBY DIRECTS that:** 

- (a) the PCFM Variable Values referred to in paragraph 4 are to be revised as shown in Schedule 1 to these directions; and
- (b) the term MOD for the licensee for Regulatory Year 2018/19 is to take the value -£7.8m.

Schedule 2 to these directions shows the complete PCFM Variable Values Table (as that term is defined in CRC1B) including the values revised under these directions (in bold font) and the values that have not been revised under these directions.

This constitutes notice of the reasons for the Authority's decision pursuant to section 49A of the Act.

Geoffrey Randall

**Associate Partner, RIIO Networks** 

& Randall

Duly authorised on behalf of the Gas and Electricity Markets Authority 30 November 2017

| April   Apri   |       | SWEST   |            |              |          |          |           |          | Regulatory |          |          |            |                    |                    |
|--|-------|---|------------|--------------|----------|----------|-----------|----------|------------|----------|----------|------------|--------------------|--------------------|
| Column   C   |       |   | Special    | Price Base / | 31 March | 31 March |           |          |            | 31 March | 31 March |            | 31 March           | 31 March           |
| Section   Control   Cont   | CDE   |   |            |              |          | 2015     |           |          |            |          |          |            | 2022               | 2023               |
| March   Marc   |       |   |            |              |          |          |           |          |            |          |          |            | <b>2.03%</b><br>No | <b>2.03%</b><br>No |
| Mode   Control of control of control   Contr   |       | ·   |            | Prices       |          |          | Revision  |          | Revision   | Revision | Revision | Revision   | Revision<br>No     | Revision<br>No     |
| March   Marc   | ANLR  | l ' '   |            | Prices       |          |          |           |          | Revision   | Revision | Revision | Revision   | Revision<br>No     | Revision<br>No     |
| Act   December   Company   | ANLO  | Actual non-load related capex - other         | CRC 3B     | Prices       |          |          | Revision  | 12.5     | Revision   | Revision | Revision | Revision   | Revision           | Revision           |
| 15   | AFE   | Actual faults expenditure                     | CRC 3B     | Prices       |          |          | Revision  | 23.9     | Revision   | Revision | Revision | Revision   | No<br>Revision     | No<br>Revision     |
| April   Company   Compan   | TRE   | Actual tree cutting                           | CRC 3B     | Prices       |          |          | Revision  | 11.6     | Revision   | Revision | Revision | Revision   | No<br>Revision     | No<br>Revision     |
| Column   C   | ARP   | Actual 100% 'revenue pool' expenditure        | CRC 3B     | _            |          |          |           | 27.8     |            |          |          |            | No<br>Revision     | No<br>Revision     |
| Security   Color   C   | ACO   | Actual controllable opex expenditure          | CRC 3B     | -            |          |          | 69.9      | 67.5     |            |          |          |            | No<br>Revision     | No<br>Revision     |
| Move of Experience - Sunday Properties   Col. 34   Free Properties   Col. 34   Free Properties - Sunday Report   Col. 34   Free Properties - Sunday Repo   | UCEPS | · · · · · · · · · · · · · · · · · · ·         | CRC 3F     | _            |          |          |           |          |            |          |          |            | No<br>Revision     | No<br>Revision     |
| Avoid  | UCHVP | Allowed Expenditure - High Value Projects     | CRC 3F     | _            |          |          |           |          |            |          |          |            | No<br>Revision     | No<br>Revision     |
| Mode   Allowed Experiment - Work   Served Customer   CRC 84   Prices   Pr   | VAA   | Allowed Expenditure - Visual Amenity Projects | CRC 3J     | £m 12/13     |          |          | No        | No       | No         | No       | No       | No         | No<br>Revision     | No<br>Revision     |
| Make      | WSCC  | •   | CRC 3H     | £m 12/13     |          |          | No        |          | No         | No       | No       | No         | No<br>Revision     | No<br>Revision     |
| Managed specified street Works   |       |   | CRC 3E     | £m 12/13     |          |          | No        | 0.9      | No         | No       | No       | No         | No                 | No                 |
| Miles   Allowed Specifiture - Look leishard   CRC 50   Far 12/13   |       |   |            | £m 12/13     |          |          | No        | No       | No         | No       | No       | No         | Revision<br>No     | Revision<br>No     |
| Marced Spenditure - Link Roses   |       | ·   |            |              |          |          | No        | No       | No         | No       | No       | No         | Revision<br>No     | Revision<br>No     |
| Nowed Expenditure - Unicoside Relicities   Process   P   |       | ·   |            |              |          |          |           |          |            |          |          |            | Revision<br>No     | Revision<br>No     |
| Costs   Cost   |       | ·   |            | Prices       |          |          | Revision  | Revision | Revision   | Revision | Revision | Revision   | Revision<br>No     | Revision<br>No     |
| Mechanism  | UCRE  | Costs   | CRC 3F     | Prices       |          |          | Revision  | Revision | Revision   | Revision | Revision | Revision   | Revision<br>No     | Revision<br>No     |
| According   According to   According   A   | IRM   | Mechanism                                     | CRC 3D     | Prices       |          |          | Revision  | Revision | Revision   | Revision | Revision | Revision   | Revision           | Revision           |
| District   Control adjustment   Control RAV   Control adjustment   Control adjustment   Control allower revenue allower revenue adjustment   Control allower revenue adjustment   Control allower revenue adjustment   Control allower revenue allower revenue allower revenue adjustment   Control allower revenue a   | EDE   | adjustment                                    | CRC 3C     | Prices       |          |          |           |          |            |          |          |            | No<br>Revision     | 28.3               |
| New   Additions adjustment   CRC 3A   Prices   Revision   Revisi   | OLREV | revenue adjustment                            | CRC 3A     | Prices       |          |          | -1.7      |          |            |          |          |            |                    |                    |
| Victor   Control allowed revenue adjustment  | OLRAV |   | CRC 3A     | -            |          |          |           |          |            |          |          |            |                    |                    |
|  | RIREV |   | CRC 3A     | -            |          |          | -2.0      |          |            |          |          |            |                    |                    |
| Tigger events  | TGIE  |   | CRC 3C     |              |          |          |           |          |            |          |          |            | No<br>Revision     | No<br>Revision     |
| LTPG   Legacy general tax pool adjustment  | TTE   | · · · · · · · · · · · · · · · · · · ·         | CRC 3C     | -            |          |          |           |          |            |          |          |            | No<br>Revision     | No<br>Revision     |
| LTPS   Legacy special tax pool adjustment  | LTPG  |   | CRC 3A     | £m           |          |          |           |          |            |          |          |            |                    |                    |
| Deferred Revenue Expenditure pre-RIIO movement adjustment  | LTPS  | Legacy special tax pool adjustment            | CRC 3A     | £m           | No       | No       |           |          |            |          |          |            |                    |                    |
| TPC   DRE: Gross capex adjustment   CRC 3A   Em   No   Nominal   Revision     | LTPD  | l · · · · · · ·                               | CRC 3A     | £m           | No       | No       |           |          |            |          |          |            |                    |                    |
| SWEST  | LTPC  | ·   | CRC 3A     | £m           | No       | No       |           |          |            |          |          |            |                    |                    |
| Name   |       |   |            | Nominal      |          | 1        | 24 Manual | 24 M     | 24 Manual  | 24 M     | 24 M     | 24 Manuals | 24 M               | 24 Marrah          |
| PTU   Pension True-Up   Chapter 15   Em 12/13   Prices   Em 12/13   Prices   |       |   | Handbook   | Price Base   |          |          |           |          |            |          |          |            | 31 March<br>2022   | 31 March<br>2023   |
| PPF   PPF Levy   Chapter 15   fm 12/13   Prices   fm 12/13   Pri   | PTU   | <u> </u>                                      |            | -            |          |          | -0.6      | ]        |            |          |          |            |                    |                    |
| TCB Tax Clawback Chapter 15 Frices Fm 12/13 Prices  Tax Tax True-Up Chapter 15 Fm 12/13 Prices  DG5 Distributed Generation for DPCR5 Chapter 15 Fm 12/13 Prices  BDC Bad Debts Chapter 15 Frices  TMA Traffic Management Act Chapter 15 Frices  UWS Undergrounding & Worst Served Customers Chapter 15 Prices  LRR Load Related Reopener Chapter 15 Prices  HVC High Volume Low Cost Connections Chapter 15 Frices  HVP High Value Projects Chapter 15 Frices  Em 12/13 Prices  E |       | ·   | ·          |              |          |          |           |          |            |          |          |            |                    |                    |
| Tax   Tax True-Up   Chapter 15   Em 12/13   Prices   |       | ,   | ·          |              |          |          |           |          |            |          |          |            |                    |                    |
| Tax   True-Up   Chapter 15   Prices   Fm 12/13   Prices  |       |   | ·          | Prices       |          |          |           |          |            |          |          |            |                    |                    |
| BDC Bad Debts Chapter 15 Prices  Em 12/13 Prices  Em 12/13 Prices  TMA Traffic Management Act Chapter 15 Em 12/13  Duws Undergrounding & Worst Served Customers Improvements  LRR Load Related Reopener Chapter 15 Em 12/13  Prices  Em 12/13 Prices  Em 12/13 Prices  Em 12/13 Prices  Em 12/13 Prices  Em 12/13 Prices  MVC High Volume Low Cost Connections Chapter 15 Em 12/13  Prices  Em 12/13 Prices  |       | ·   | ·          | Prices       |          |          |           |          |            |          |          |            |                    |                    |
| TMA Traffic Management Act Chapter 15 Prices  UWS Undergrounding & Worst Served Customers Improvements  LRR Load Related Reopener Chapter 15 Prices  HVC High Volume Low Cost Connections  Chapter 15 Fm 12/13 Prices  Fm 12/13 Prices  Fm 12/13 Prices  MVC High Volume Low Cost Connections  Chapter 15 Fm 12/13 Prices  Fm 12/13 Prices  MVC High Value Projects  Chapter 15 Fm 12/13 Prices  Fm 12/13 Prices  MVC High Value Projects  Chapter 15 Fm 12/13 Prices  EPS Enhanced Physical Site Security  Chapter 15 Fm 12/13 Prices  Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  MVC Rising & Lateral Mains  Chapter 15 Fm 12/13 Prices  |       |   | ·          | Prices       |          |          |           |          |            |          |          |            |                    |                    |
| IMA     Iraftic Management Act     Chapter 15     Prices       UWS     Undergrounding & Worst Served Customers Improvements     Chapter 15     £m 12/13 Prices       LRR     Load Related Reopener     Chapter 15     £m 12/13 Prices       HVC     High Volume Low Cost Connections     Chapter 15     £m 12/13 Prices       HVP     High Value Projects     Chapter 15     £m 12/13 Prices       EPS     Enhanced Physical Site Security     Chapter 15     £m 12/13 Prices       RLM     Rising & Lateral Mains     Chapter 15     £m 12/13 Prices       SHET     Shetland     Chapter 15     £m 12/13 Prices       Chapter 15     £m 12/13 Prices     0.0       SHET     Shetland     Chapter 15     £m 12/13 Prices   | BDC   | Bad Debts                                     | Chapter 15 | Prices       |          |          | 0.0       |          |            |          |          |            |                    |                    |
| LRR   Load Related Reopener   Chapter 15   Prices   Em 12/13   Prices  | TMA   |   | Chapter 15 | Prices       |          |          | 0.0       |          |            |          |          |            |                    |                    |
| HVC High Volume Low Cost Connections  Chapter 15 Prices  Em 12/13 Prices  HVP High Value Projects  Chapter 15 Em 12/13 Prices  EPS Enhanced Physical Site Security  Chapter 15 Em 12/13 Prices  RLM Rising & Lateral Mains  Chapter 15 Em 12/13 Prices   | UWS   |   | Chapter 15 | Prices       |          |          | 0.1       |          |            |          |          |            |                    |                    |
| HVC High Volume Low Cost Connections  Chapter 15 Prices Prices  HVP High Value Projects  Chapter 15 Chapter 15 Prices  Chapter 15 Prices  0.0  0.0  EPS Enhanced Physical Site Security  Chapter 15 Chapter 15 Em 12/13 Prices  RLM Rising & Lateral Mains  Chapter 15 Chapter 15 Em 12/13 Prices  0.0  Chapter 15 O.0  O.0  Chapter 15 O.0  O.0  Chapter 15 O.0  O.0  | LRR   | Load Related Reopener                         | Chapter 15 | Prices       |          |          | -2.2      |          |            |          |          |            |                    |                    |
| HVP High Value Projects  Chapter 15  | HVC   | High Volume Low Cost Connections              | Chapter 15 | _            |          |          | 0.3       |          |            |          |          |            |                    |                    |
| EPS Enhanced Physical Site Security  Chapter 15  | HVP   | High Value Projects                           | Chapter 15 |              |          |          | 0.0       |          |            |          |          |            |                    |                    |
| RLM Rising & Lateral Mains Chapter 15  | EPS   | Enhanced Physical Site Security               | Chapter 15 | £m 12/13     |          |          | 0.0       |          |            |          |          |            |                    |                    |
| SHET Shetland Chapter 15 £m 12/13  | RLM   | Rising & Lateral Mains                        | Chapter 15 | £m 12/13     |          |          | 0.0       |          |            |          |          |            |                    |                    |
| Oliopici 10   Duitage   Olio   | SHET  | Shetland                                      | Chapter 15 | £m 12/13     |          |          | 0.0       |          |            |          |          |            |                    |                    |
| FLD Flood Prevention (SSFH Only) Chapter 15 Fm 12/13   |       |   | ·          | £m 12/13     |          |          |           |          |            |          |          |            |                    |                    |
| Incremental Legacy Adjustments used to calculate OLRAV   |       | , ,,  | ·          |              |          |          |           |          |            |          |          |            |                    |                    |
| RAV RAV Additions Chapter 15   | RAV   | RAV Additions                                 | Chapter 15 |              | 0.0      | -3.6     |           |          |            |          |          |            |                    |                    |
| Incremental Legacy Adjustments used to calculate RIREV  Chapter 16 fm 12/13  | DD!   |   |            | £m 12/13     |          |          | 4.5       |          |            |          |          |            |                    |                    |
| Prices  -1.0  -1.0   | KKI   | ккі кеvenue Aajustment                        | ·          | Prices       |          |          |           |          |            |          |          |            |                    |                    |
| RRI RLM Adjustment Chapter 16 Prices 0.0   |       |   |            |              |          |          |           |          |            |          |          |            |                    |                    |
| RRI WFR Adjustment Chapter 16 Prices -1.1  |       | RRI RLM Adjustment                            | Chapter 16 |              |          |          | 0.0       |          |            |          |          |            |                    |                    |

## SCHEDULE 2 TO THE AUTHORITY'S DIRECTION - VARIABLE VALUE TABLE

|  |                   |                    |       | Regulatory Year Ending |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
|--|-------------------|--------------------|-------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| Variable Name  | Special Condition | Price Base / Units | Term  | 31 March<br>2014       | 31 March<br>2015 | 31 March<br>2016 | 31 March<br>2017 | 31 March<br>2018 | 31 March<br>2019 | 31 March<br>2020 | 31 March<br>2021 | 31 March<br>2022 | 31 March<br>2023 |  |
| Allowed percentage cost of corporate debt  | CRC 3C            | Annual Real %      | CDE   | 2014                   | 2013             | 2.55%            |                  | 2.22%            |                  |                  |                  | 2.03%            | 2.03%            |  |
| Actual load-related capex expenditure  | CRC 3B            | £m 12/13 prices    | ALC   |                        |                  | 8.2              | 9.9              | -                | -                | -                | -                | -                | -                |  |
| Actual non-load related capex expenditure - asset replacement                      | CRC 3B            | £m 12/13 prices    | ANLR  |                        |                  | 69.1             | 87.3             | -                | -                | -                | -                | -                | -                |  |
| Actual non-load related capex - other  | CRC 3B            | £m 12/13 prices    | ANLO  |                        |                  | 8.9              | 12.5             | -                | -                | -                | -                | -                | _                |  |
| Actual faults expenditure  | CRC 3B            | £m 12/13 prices    | AFE   |                        |                  | 26.7             | 23.9             | -                | -                | -                | -                | -                | -                |  |
| Actual tree cutting  | CRC 3B            | £m 12/13 prices    | TRE   |                        |                  | 13.5             | 11.6             | -                | -                | -                | -                | -                | -                |  |
| Actual 100% 'revenue pool' expenditure   | CRC 3B            | £m 12/13 prices    | ARP   |                        |                  | 14.1             | 27.8             | -                | -                | -                | -                | -                | -                |  |
| Actual controllable opex expenditure   | CRC 3B            | £m 12/13 prices    | ACO   |                        |                  | 69.9             | 67.5             | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Enhanced Physical Site Security                              | CRC 3F            | £m 12/13 prices    | UCEPS |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - High Value Projects  | CRC 3F            | £m 12/13 prices    | UCHVP |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Visual Amenity Projects (TIM neutral)                        | CRC 3J            | £m 12/13 prices    | VAA   |                        |                  | 0.0              | 0.0              | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Worst Served Customer Project (TIM neutral)                  | CRC 3H            | £m 12/13 prices    | WSCC  |                        |                  | 0.0              | 0.2              | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Smart Meter Roll-out costs                                   | CRC 3E            | £m 12/13 prices    | SMAE  |                        |                  | 0.1              | 0.9              | 1.3              | 1.4              | 1.4              | 1.0              | -                | -                |  |
| Allowed Expenditure - Specified Street Works                                       | CRC 3F            | £m 12/13 prices    | UCSSW |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Load Related   | CRC 3G            | £m 12/13 prices    | LRRC  |                        |                  | 5.8              | 6.5              | 8.1              | 13.7             | 14.6             | 14.6             | 15.4             | 17.1             |  |
| Allowed Expenditure - Rail Electrification (WPD)                                   | CRC 3K            | £m 12/13 prices    | RE    |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Moorside Costs (ENWL)  | CRC 3L            | £m 12/13 prices    | UCMC  |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Shetland Uncertain Energy (SSEH)                             | CRC 3F            | £m 12/13 prices    | UCSFE |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Shetland Competitive Process (SSEH)                          | CRC 3F            | £m 12/13 prices    | UCCPC |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Link Boxes   | CRC 3F            | £m 12/13 prices    | UCLB  |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Subsea Cables (SSEH)   | CRC 3F            | £m 12/13 prices    | UCSC  |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Uncertain Rail Electrification Costs                         | CRC 3F            | £m 12/13 prices    | UCRE  |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Allowed Expenditure - Innovation Roll-out Mechanism                                | CRC 3D            | £m 12/13 prices    | IRM   |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Pension Scheme Established Deficit revenue adjustment                              | CRC 3C            | £m 12/13 prices    | EDE   |                        |                  | 38.1             | 38.1             | 38.1             | 38.1             | 38.1             | 38.1             | 38.1             | 28.3             |  |
| Other legacy adjustments' price control allowed revenue adjustment                 | CRC 3A            | £m 12/13 prices    | OLREV |                        |                  | (1.7)            |                  |                  |                  |                  |                  |                  |                  |  |
| Other legacy adjustments' price control RAV additions adjustment                   | CRC 3A            | £m 12/13 prices    | OLRAV | 0.0                    | (3.6)            |                  |                  |                  |                  |                  |                  |                  |                  |  |
| RAV Rolling Incentive legacy adjustments' price control allowed revenue adjustment | CRC 3A            | £m 12/13 prices    | RIREV |                        |                  | (2.0)            |                  |                  |                  |                  |                  |                  |                  |  |
| Tax liability revenue allowance adjustments - gearing / debt interest costs        | CRC 3C            | £m Nominal         | TGIE  |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Tax liability revenue allowance adjustments - tax trigger events                   | CRC 3C            | £m 12/13 prices    | TTE   |                        |                  | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Legacy general tax pool adjustment   | CRC 3A            | £m Nominal         | LTPG  | 5.7                    | (10.7)           |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Legacy special tax pool adjustment   | CRC 3A            | £m Nominal         | LTPS  | (5.4)                  | (7.6)            |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Deferred Revenue Expenditure pre-RIIO movement adjustment                          | CRC 3A            | £m Nominal         | LTPD  | 18.8                   | 12.3             |                  |                  |                  |                  |                  |                  |                  |                  |  |
| DRE: Gross capex adjustment  | CRC 3A            | £m Nominal         | LTPC  | 18.4                   | 11.0             |                  |                  |                  |                  |                  |                  |                  |                  |  |