

## Extract from RIIO-ED1 draft licence conditions

### CRC 5B Restriction of charges for the provision of Legacy Metering Equipment

#### Part G: Calculation of the price index adjustment

5B.14 For the purposes of Parts B to F of this condition, the price index adjustment is calculated in accordance with the following formula:

5B.15 In the formula for the PIT term above:

$$PIT_t = [1 + RPI_{t-1} / 100] \times PIT_{t-1}$$

5B.15 In the formula for the PIT term above:

PIT <sub>t</sub>	has the value of 1 in the Regulatory Year beginning on 1 April 2002, and then in each subsequent Regulatory Year has the value derived from the formula itself.
RPI <sub>t</sub>	means the percentage change (whether positive or negative) between the arithmetic average of the Retail Prices Index numbers published or determined with respect to each of the six months from July to December (inclusive) in Regulatory Year t-2 and the arithmetic average of the Retail Prices Index numbers published or determined with respect to the same months in regulatory Year t-1.

### CRC 5C Directly Remunerated Services

Charges levied in respect of Directly Remunerated Services provided within categories DRS5 and DRS9 of Appendix 1 are to be set at a level that will allow the licensee to recover its reasonable costs and a reasonable margin in providing the service in question.

**DRS5. Revenue protection services:** This category consists of the provision, at the request of any third party (which could include an Affiliate or a Related Undertaking of the licensee), of services relating to the prevention of Electricity Meter interference and other forms of illegal abstraction of electricity.

**DRS6. Metering Services:** This category consists of the provision of any Metering Service (other than the provision of Legacy Metering Equipment) that is not already remunerated under any other charge in respect of a Directly Remunerated Service.

**DRS 7. Smart Meter Roll-out rechargeable services:** This category consists of services provided directly or indirectly to Electricity Suppliers, and associated with the roll-out of Smart Meters (within the meaning given to that term in Condition 1 of the Smart Meter Communication Licence), that:

- (a) are provided under the provisions of the service level agreement that is appended to the Distribution Connection and Use of System Agreement;
- (b) are not remunerated under one of the charges mentioned in paragraph 5C.5 or under any other charge for a Directly Remunerated Service; and

**DRS8. Value Added Services:** This category consists of services that utilise Relevant Assets, as defined in standard condition 1 (Definitions for the standard conditions), under commercial arrangements between the licensee and another person (who must not be an Affiliate or Related Undertaking of the licensee), involving:

- (a) the installation of equipment for the purpose of electronic communications or data transfer;

(b) the display of any advertising or promotional material; or

(c) any service specified in a direction given by the Authority for the purposes of this condition that, in the absence of such a direction, would be included in category DRS9 (Miscellaneous),

in each case subject to any further explanation or clarification as set out in the RIGs published under standard condition 46 (Regulatory Instructions and Guidance).

**DRS9. Miscellaneous:** This category consists of the provision of any other service (including electric lines or electrical plant) that:

(a) is for the specific benefit of any third party who requests it; and

(b) is not remunerated under one of the charges mentioned in paragraph 5C.5 or under any other charge for a Directly Remunerated Service.