

	UM name	Is the UM included in our May SSMD?	Description	UM type	Where is the UM set out in the Business Plan?	Costs associated with the UM		Are there any associated outputs, uncertainty mechanisms or CVP proposals in your Business Plan?
						Funding in Business Plan?	Forecast cost / BPDT reference	
Chapter 7	UM 7-1: Boundary capability	No	This UM adjusts our allowances to reflect changes in boundary capacity needs as the generation and demand background changes.	Volume driver - unit cost allowance (UCA)	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 7-1: Network reinforcements, which has a forecast cost of £507m (BPDT: 4.2a)
Chapter 7	UM 7-2: Facilitate competition (pre-consents)	No	This UM adjusts our allowances for the delivery of planning consents for contestable projects.	Volume driver - unit cost allowance (UCA)	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 7-4: Facilitating competition, which has a forecast cost of £181.5m (BPDT: 4.2a)
Chapter 7	UM 7-3: System operability (voltage)	No	This UM adjusts our allowances to reflect changes in system operability investments for voltage issues required by the ESO, taking a whole system approach.	Volume driver - unit cost allowance (UCA)	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 7-6: Optimising with the DNOs, which has a forecast cost of £30.7m (BPDT: 4.2a) CVP2: Optimisation with DNOs to identify whole system opportunities
Chapter 7	UM 7-4: Protection and control	No	This UM provides funding for protection and control upgrades that our coordination studies indicate are needed.	Re-opener	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 7-2: Maintaining security of supply as the energy system changes, which has a forecast cost of £31.1m (BPDT: 4.2a)
Chapter 7	UM 7-5: Whole systems co-ordinated adjustment mechanism	Yes	This UM makes sure the price control framework does not create artificial barriers to whole system outcomes, by allowing for the cost-effective realignment of revenues and responsibilities within the price control period for whole system solutions.	Re-opener	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Not applicable
Chapter 7	UM7-6 Harmonic filtering	No	This UM allows us to invest to optimise harmonic filtering requirements to reduce costs for customers connecting to the network and so reduce whole system costs.	Re-opener	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	CVP1: Optimisation of harmonic filtering
Chapter 7	UM 7-7: System operability (other ESO requirements)	No	This UM adjusts our allowances to reflect changes in system operability investments required by the ESO other than those captured in our other UM for System operability (voltage) (UM7-3).	Re-opener	Chapter 7 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Not applicable
Chapter 8	UM8-1: Generation connections	No	This UM adjusts our allowances for changes in generation volumes.	Volume driver - unit cost allowance (UCA)	Chapter 8 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 8-1: Connecting generation customers, which has a forecast cost of £216m (BPDT: section B - B0.7, B4.2a, B4.2c, B4.4b, B4.5, B4.5a, B4.6, B4.7 and B4.8)
Chapter 8	UM8-2: Demand connections	No	This UM adjusts our allowances for changes in demand volumes.	Volume driver - unit cost allowance (UCA)	Chapter 8 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 8-2: Connecting demand customers, which has a forecast cost of £89m (BPDT: section B - B0.7, B4.2a, B4.2c, B4.4b, B4.5, B4.5a, B4.6, B4.7 and B4.8)
Chapter 8	UM8-3: Low voltage substation re-builds (embedded generation)	No	This UM adjusts our allowances for the extent of low voltage rebuilding required due to changes in the volume and location of embedded generation connecting to the network after a whole system assessment.	Volume driver - unit cost allowance (UCA)	Chapter 8 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	There is no output related to this UM because the baseline costs are £0m. CVP3: Whole system approach to low-voltage substation re-builds
Chapter 10	UM10-1: Extreme weather	No	This UM allows for potential change to requirements outlined in ETR138 due to change in flood risk or extreme weather threat.	Re-opener	Chapter 10 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 10-1: Protection from extreme weather, which has a forecast cost of £59.81m (BPDT: 2.24)
Chapter 10	UM10-2: Physical security	Yes	This UM allows for potential change to Physical Security Upgrade Programme (PSUP) requirements or site-specific requirements.	Re-opener	Chapter 10 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 10-2: Physical Security, which has a forecast cost of £44.63m (BPDT: D4.4a, D4.4b)
Chapter 10	UM10-3: Cyber security IT	Yes	This UM allows for the impact on our IT expenditure of a change in cyber threat, advance in technology, new requirements, greater certainty about appropriate solutions or reprioritisation of deliverables required.	Re-opener	Chapter 10 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 10-3: Cyber resilience, which has a forecast cost of £184.38m, split into IT: £16.84m and OT: £167.54m (BPDT: D4.8)
Chapter 10	UM10-4: Cyber security operational technology (OT)	Yes	This UM allows for the impact on our operational technology (OT) expenditure of a change in cyber threat, advance in technology, new requirements, greater certainty about appropriate solutions or reprioritisation of deliverables required.	Re-opener	Chapter 10 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 10-3: Cyber resilience, which has a forecast cost of £184.38m, split into IT: £16.84m and OT: £167.54m (BPDT: D4.8)

Chapter 10	UM10-5: Black Start	No	This UM allows for potential change in BEIS requirements for Black Start.	Re-opener	Chapter 10 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 10-5: Black Start capability, which has a forecast cost of £22.19m (BPDT: C2.12)
Chapter 10	UM10-6: Ensuring a resilient electricity network	No	This UM allows for potential requirements resulting from ongoing engagement with stakeholders about applying enhanced levels of overall resilience to the network.	Re-opener	Chapter 10 of 200-page business plan (see section 7) Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	This UM does not relate to a specific output because it allows for new requirements for any of our outputs including new ones that might be needed to address new threats.
Chapter 11	UM11-1: SF6 replacement	No	This UM adjusts our allowances to fund an SF6 reduction investment programme.	Re-opener	Chapter 11 of 200-page business plan Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 11-1: Reducing our SF6 emissions (which is the common ODI on reducing SF6 and other insulation and interruption gases (IIG) leakage) CVP7: Developing alternatives to SF6
Chapter 11	UM11-2: Visual impact provision	No	This UM allows funding for new VIP projects approved in the T2 period. We expect Ofgem to undertake rigorous bottom-up cost analyses of projects when they are ready for approval. The UM will provide the allowance for the new VIP project in line with Ofgem's cost assessment.	Re-opener	Chapter 11 of 200-page business plan Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	Output 11-8: Visual impact, which has a forecast cost of £202.36m (BPDT: C2.26)
Chapter 11	UM11-3: Urban improvement provision	No	This proposal is for a £50m consumer-funded budget to reduce urban disadvantage by improving our assets or public spaces, focused on the top 30% most deprived urban areas. A stakeholder-led panel based will make awards based on proposals from us. The fund is not in our baseline. The UM releases funds for approved projects each year.	Re-opener	Chapter 11 of 200-page business plan Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	CVP6 - Supporting local urban communities
Chapter 11	UM11-4: Net zero	No	This UM allows for any investment needed in response to potential new requirements to achieve the UK's target of net-zero greenhouse gas emissions by 2050.	Re-opener	Chapter 11 of 200-page business plan Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	This UM does not relate to a specific output because it allows for potential new requirements to achieve the UK's target of net-zero greenhouse gas emissions by 2050.
Chapter 12	UM 12-1: Innovation plan	No	This UM will allow us to reshape our innovation programme in 2022 to reflect the latest developments in decarbonisation and to make sure our innovation programme continues to meet the needs of all our stakeholders.	Re-opener	Chapter 12 of 200-page business plan Annex ET.12 Uncertainty mechanisms	Not included	Not applicable	This UM relates to our overall innovation programme rather than a specific output.
Chapter 14	UM 14-1: Real price effects (RPEs) for plant, materials and equipment	Yes	This UM adjusts our allowances for difference in price inflation between plant, materials and equipment relative to CPIH inflation.	Indexation	Chapter 14 of 200-page business plan Annex A14.14 RPEs and ongoing efficiency	Included	£137m of material RPE are included in our plan BPDT: A1.6	Not applicable.
Chapter 15	UM 15-1: Inflation indexation of RAV and allowed return	Yes	This UM adjusts for inflation uncertainty, for example, for RAV indexation and to inflate future allowed returns.	Indexation	Chapter 15 of 200-page business plan Annex A15.01 We can finance our plan	Not included	Not applicable	Not applicable.
Chapter 15	UM 15-2: Tax liability allowance	Yes	This UM is a re-opener with triggers (yet to be defined for the T2 period) that adjust our tax allowance for material changes in our tax liability during the price control period.	Re-opener	Chapter 15 of 200-page business plan Annex A15.01 We can finance our plan	Not included	Not applicable	Not applicable.
Chapter 15	UM 15-3: Pension scheme established deficit	Yes	This UM allows us to re-open our allowance for pension scheme established deficits for changes identified in the triennial review.	Pass-through	Chapter 15 of 200-page business plan Annex A15.01 We can finance our plan	Included	£198.37m BPDT: A3.14 These are non-totex pass-through costs	Not applicable.
Chapter 15	UM 15-4: Cost of debt indexation	Yes	This UM adjusts our cost of debt for changes in market indices.	Indexation	Chapter 15 of 200-page business plan Annex A15.01 We can finance our plan	Not included	Not applicable	Not applicable.
Chapter 15	UM 15-5: Cost of equity indexation	Yes	This UM adjusts our cost of equity for changes in the market risk-free rate.	Indexation	Chapter 15 of 200-page business plan Annex A15.01 We can finance our plan	Not included	Not applicable	Not applicable.
No chapter	UM0-1: Business rates	Yes	This UM allows us to pass through the costs of business rates directly to consumers. This approach reflects that it is a non-controllable cost for us.	Pass-through	We have not included any information on this mechanism in our business plan because it is a straight pass-through of costs and Ofgem has confirmed it will continue in RIIO-2 (see sector-specific methodology decision - core document, page 66)	Not included	Not applicable	Not applicable.