

14.14.2 A baseline revenue ~~Maximum Allowed Revenue (MAR)~~ defined for these activities and those associated with pre-vesting connections is set by the Authority for the Onshore Transmission Owners revenue at the time of the Onshore Transmission Owners' price control review for the succeeding price control period. The base revenue for an Offshore Transmission Owner is set at the point of the asset transfer of its Offshore Transmission System. Transmission Network Use of System Charges are set to recover the Maximum Allowed Revenue (MAR) as set by the Price Control for Onshore Transmission Owners and the point of asset transfer for Offshore Transmission Owners (where necessary, allowing for any Kt adjustment for under or over recovery in a previous year net of the income recovered through pre-vesting connection charges).

**Treatment of additional revenue adjustments associated with unforeseen and unforeseeable events**

- 14.x Each individual Offshore Transmission Licensee's allowed revenue is set at the point of asset transfer based on a forecast of their costs and is set to align with the forecast life of the assets. However, within these relevant periods, Offshore Transmission Licensee revenues can be subject to cost variations associated with unforeseen and unforeseeable events, such as Income Adjusting Events as defined in the Transmission Licence.
- 14.x Any unforeseen and unforeseeable event determined to be an Income Adjusting Event and subsequently approved by the Authority will require an adjustment to be made to the relevant Transmission Licensee's revenues to enable recovery of the approved revenue adjustment values.
- 14.x For Offshore Transmission Owners an adjustment (whether positive or negative) due to unforeseen or unforeseeable events such as an Income Adjusting Event in relevant year 't' will need to be made to the Offshore Transmission Owners revenue values. The total approved value (by the Authority) of the event will be used to adjust the revenue values for the following charging year following relevant year 't' (unless directed otherwise by the **Authority**) for recovery through Transmission Network Use of System (TNUoS) charges
- 14.x The adjustment is included within the calculation of the non-locational Demand Residual.