

Regulatory Financial Performance Report
SSEH
2019

Licensee	SSEH
Sector	ED1
Reporting Year: (enter 2014 for 2013-14)	2019
Version (Number)	1
Submitted Date:	31/07/2019
Cost of Equity	6.0%
Sharing Factor	56.47%
Notional Gearing	65.0%
RIIO-1 start date	2016
Price basis	Em 12/13

Materiality Em
0.1

- Input cells
- Totals cells (of formula within worksheet)
- Referencing to other worksheets
- Referencing to other workbooks
- Check cells
- No Input
- Descriptions and pack data

**Network Operator Data
SSEH
2019**

2018	2017-18
2019	2018-19
2020	2019-20
2021	2020-21
2022	2021-22
2023	2022-23

RPI Index	Reporting year	Actual / Forecast index	Financial Year Average RPI (RPI)	Year end RPI	Corp. Tax
2009-10	2010	Actual	215.8	221.8	28%
2010-11	2011	Actual	226.5	233.5	28%
2011-12	2012	Actual	237.3	241.7	26%
2012-13	2013	Actual	244.7	249.1	24%
2013-14	2014	Actual	251.7	255.3	23%
2014-15	2015	Actual	256.7	257.6	21%
2015-16	2016	Actual	259.4	261.5	20%
2016-17	2017	Actual	265.0	270.0	20%
2017-18	2018	Actual	274.9	279.0	19%
2018-19	2019	Actual	283.3	286.7	19%
2019-20	2020	Forecast	290.7	294.2	19%
2020-21	2021	Forecast	298.8	302.3	17%
2021-22	2022	Forecast	302.9	311.5	17%
2022-23	2023	Forecast	317.3	321.1	17%
2023-24	2024	Forecast			17%
2024-25	2025	Forecast			17%
2025-26	2026	Forecast			17%

	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
	2016	2017	2018	2019	2020	2021	2022	2023
Financial Year Average RPI (RPI)	1.060	1.083	1.124	1.158	1.188	1.221	1.258	1.297
Year end RPI	1.068	1.103	1.140	1.172	1.202	1.236	1.273	1.312
1 year change in Fin Year Ave RPI	1.011	1.021	1.037	1.031	1.026	1.028	1.030	1.031

HMT Forecasts for UK Economy - M3 New Forecasts RPI

M3 New Forecasts RPI	2017	2018	2019	2020	2021	2022	2023	Source
	2.6%	2.6%	2.6%	2.7%	3.0%	3.1%	3.0%	May 2019 Publication

Forecast growth rate

Reporting Year	2017	2018	2019	2020	2021	2022	2023
	2.625%	2.625%	2.625%	2.775%	3.025%	3.075%	3.075%

Selected Capitalisation rates for SSEH

	RIIO1
Totex	62.00%
n/a	2014 0.00% 2015 0.00% 2016 0.00% 2017 0.00% 2018 0.00% 2019 0.00% 2020 0.00% 2021 0.00%

ED	Em 12/13	Totex	n/a
ET	Em 09/10	Totex	n/a
GD	Em 09/10	Totex excluding repex	Repex
GT	Em 09/10	Totex (non-'uncertainty rate')	Uncertainty rate

Allowed cost of debt %

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
WPD			2.55%	2.38%	2.22%	1.91%	1.58%	1.14%	0.92%	0.72%
ED - excluding WPD			2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
SHET	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.86%		
ET - excluding SHET	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%		
GD	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%		
GT	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%		

Sector	Default	Allowed Cost of Equity	TIM Incentive Strength	Gearing	Main Cap. Rate	RIIO1 start date	Price Basis	Fast Tracked	IOI pre or post tax	Allowed cost of debt										
										2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
ED	ENWL	6.0%	58.11%	65.0%	68.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	NPn	6.0%	55.84%	65.0%	70.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	NPgy	6.0%	55.84%	65.0%	72.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	UKPN-EPN	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	UKPN-LPN	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	UKPN-SPN	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	SPD	6.0%	53.50%	65.0%	80.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	SPMW	6.0%	53.50%	65.0%	80.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	SSEH	6.0%	56.47%	65.0%	62.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	SSES	6.0%	56.47%	65.0%	70.0%	2016	Em 12/13	No	Post				2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
ED	WPD-EMID	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre				2.55%	2.38%	2.22%	1.91%	1.58%	1.14%	0.92%	0.72%
ED	WPD-WMID	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre				2.55%	2.38%	2.22%	1.91%	1.58%	1.14%	0.92%	0.72%
ED	WPD-SWALES	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre				2.55%	2.38%	2.22%	1.91%	1.58%	1.14%	0.92%	0.72%
ED	WPD-SWEST	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre				2.55%	2.38%	2.22%	1.91%	1.58%	1.14%	0.92%	0.72%
GD	Cadent-EOE	6.7%	63.04%	65.0%	26.6%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	Cadent-London	6.7%	63.04%	65.0%	23.5%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	Cadent-WM	6.7%	63.04%	65.0%	24.9%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	Cadent-NW	6.7%	63.04%	65.0%	26.1%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	NGN	6.7%	63.06%	65.0%	35.0%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	SGN - Scotland	6.7%	63.73%	65.0%	35.1%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	SGN - Southern	6.7%	63.73%	65.0%	32.2%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GD	WUU	6.7%	63.17%	65.0%	35.8%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GT	NGGT (TO)	6.8%	44.36%	62.5%	64.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
GT	NGGT (SO)	6.8%	44.36%	62.5%	37.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
ET	NGET (TO)	7.0%	46.89%	60.0%	85.0%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
ET	NGET (SO)	7.0%	46.89%	60.0%	27.9%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
ET	SPT	7.0%	50.00%	55.0%	90.0%	2014	Em 09/10	Yes	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.14%			
ET	SHET	7.0%	50.00%	55.0%	90.0%	2014	Em 09/10	Yes	Pre	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.86%			

GD: Capitalised share of repex / GT: Uncertainty Rate

	2014	2015	2016	2017	2018	2019	2020	2021
Cadent-EOE	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
Cadent-London	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
Cadent-WM	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
Cadent-NW	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
NGN	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
SGN - Scotland	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
SGN - Southern	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
WUU	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
NGGT (TO)	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
NGGT (SO)								

IOI Additional Income	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ENWL	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.5	1.4	1.4
NPn	-0.7	-0.6	-0.6	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5
NPgy	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-0.7	-0.7
UKPN-EPN	-3.3	-3.3	-3.2	-3.2	-3.1	-3.1	-2.9	-2.9	-2.7	-2.7
UKPN-LPN	-2.4	-2.4	-2.2	-2.2	-2.1	-2.2	-2.1	-1.9	-1.8	-1.8
UKPN-SPN	-2.2	-2.4	-2.2	-2.2	-2.1	-2.0	-1.9	-1.9	-1.9	-1.8
SPD	-1.9	-1.8	-1.8	-1.7	-1.7	-1.7	-1.6	-1.5	-1.4	-1.4
SPMW	-2.1	-2.2	-2.2	-2.0	-1.8	-1.8	-1.6	-1.5	-1.4	-1.4
SSEH	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SSES	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
WPD-EMID	7.1	7.0	6.2	6.3	6.2	6.5	6.8	6.8	6.6	6.6
WPD-WMID	6.5	6.5	6.3	6.4	6.6	6.8	6.7	6.8	6.7	6.8
WPD-SWALES	3.7	3.7	3.5	3.5	3.7	3.4	3.4	3.3	3.4	3.4
WPD-SWEST	5.4	5.4	5.3	5.4	5.3	5.3	5.3	5.3	5.3	5.6
Cadent-EOE	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3		
Cadent-London	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3		
Cadent-WM	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8		
Cadent-NW	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
NGN	3.1	3.2	3.2	3.2	3.0	3.0	3.0	3.0		
SGN - Scotland	2.1	2.0	2.0	2.1	2.1	2.0	2.0	2.0		
SGN - Southern	4.4	4.1	4.1	4.2	4.2	4.2	4.1	4.1		
WUU	1.4	1.4	1.4	1.3	1.3	1.3	1.4	1.4		
NGGT (TO)	-1.1	-1.2	-1.6	-1.9	-1.3	-1.1	-1.1	-1.0		
NGGT (SO)	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3		
NGET (TO)	15.2	16.3	15.6	14.9	13.0	12.6	11.3	9.8		

NGGT (SO)	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9		
SPT	11.0	1.3	22.2	7.0	6.9	6.9	7.1	5.3		
SHET	4.8	5.0	5.7	3.8	2.9	2.9	2.9	2.8		

ED
Output incentives for each sector used to populate R5

Input for R5 - Output Incentives	TRUE	ED
Broad measure of customer service	FALSE	GD
Interruptions-related quality of service	FALSE	NGGT (TO)
Incentive on connections	FALSE	NGGT (SO)
Time to Connect Incentive	FALSE	NGGT (TO)
Losses discretionary reward scheme	FALSE	NGGT (SO)
	FALSE	SPT
	FALSE	SHET

ED
Broad measure of customer service
Interruptions-related quality of service
Incentive on connections engagement
Time to Connect Incentive
Losses discretionary reward scheme

GD
Broad Measure of Customer Satisfaction
Shrinkage Allowance Revenue Adjustment
Environment Emissions Incentive
Discretionary Reward Scheme
NTS Exit Capacity

NGGT (TO)
Stakeholder Satisfaction Output
Permits revenue adjustment

NGGT (SO)

NGGT (TO)
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward

NGGT (SO)

SPT
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

SHET
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

All incentive performance recognised in t+2 allowed revenue -

Time to Connect Incentive revenue adjustment	t+3
Losses discretionary reward scheme revenue adjustment	t+1

Bond or loan types
Fixed rate
Floating
Inflation-linked

Reference rate
Not applicable
LIBOR 3 month
LIBOR 6 month
EURIBOR 3 month
BOE base rate
RPI 12 month
CPI 12 month

Currency
GBP
EUR
USD
HKD
CAD

Rank
Senior
Junior

Hedged
Yes - fully hedged
Yes - partially hedged
No

Special features
Callable
Puttable

Counterparty
EIB
RBS

Swap legs
Fixed rate
Floating

Version control
SSEH
2019

Version:

Submission	Date submitted	Changes
Submission 1	31/07/2019	
Submission 2		
Submission 3		
Submission 4		
Submission 5		
Submission 6		
Submission 7		
Submission 8		
Submission 9		
Submission 10		

- [R1 - RoRE](#)
- [R2 - Revenue](#)
- [R3 - Rec to totex](#)
- [R4 - Totex](#)
- [R5 - Output Incentives](#)
- [R6 - Innovation](#)
- [R7 - Financing](#)
- [R7a - Financing input](#)
- [R8 - Net Debt](#)
- [R8a - Net Debt input](#)
- [R9 - RAV](#)
- [R10 - Tax](#)
- [R11 - Dividends](#)
- [R12 - Pensions](#)
- [R13 - Other Activities](#)

R1 - Return on Regulatory Equity (RoRE)
SSEH
2019

Navigate

	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Cumulative to 2019	RIIO-1 period	
	2016	2017	2018	2019	2020	2021	2022	2023			
RoRE based on Notional Gearing											
Allowed Equity Return	%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Totex outperformance	%	3.0%	0.3%	1.7%	-0.5%	-1.9%	-0.1%	2.4%	3.0%	1.1%	1.0%
IQI Reward	%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Broad measure of customer service	%	0.4%	0.4%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.4%	0.5%
Interruptions-related quality of service	%	0.5%	0.2%	0.5%	0.0%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%
Incentive on connections engagement	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Time to Connect Incentive	%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Losses discretionary reward scheme	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network Innovation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	10.1%	7.1%	8.8%	6.2%	5.0%	6.8%	9.3%	9.9%	8.1%	7.9%
Debt performance - at notional gearing	%	-2.7%	-1.2%	0.9%	0.6%	-0.5%	-0.2%	-3.1%	0.9%	-0.6%	-0.6%
Tax performance - at notional gearing	%	-0.7%	-1.0%	0.2%	-1.0%	-1.2%	-1.1%	-0.5%	-0.6%	-0.6%	-0.7%
RoRE - including financing and tax	%	6.7%	5.0%	9.9%	5.9%	3.3%	5.5%	5.7%	10.2%	6.9%	6.5%

RoRE based on Actual Gearing											
Allowed Equity Return	%	5.9%	6.1%	6.1%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Totex outperformance	%	2.9%	0.3%	1.7%	-0.5%	-1.9%	-0.1%	2.4%	3.0%	1.1%	1.0%
IQI Reward	%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Broad measure of customer service	%	0.4%	0.4%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
Interruptions-related quality of service	%	0.5%	0.2%	0.5%	0.0%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%
Incentive on connections engagement	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Time to Connect Incentive	%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Losses discretionary reward scheme	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network Innovation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	10.0%	7.3%	8.9%	6.1%	5.0%	6.8%	9.3%	9.9%	8.1%	7.9%
Debt performance - at actual gearing	%	-2.7%	-1.3%	0.9%	0.6%	-0.5%	-0.2%	-3.1%	0.9%	-0.6%	-0.6%
Tax performance - at actual gearing	%	-0.7%	-1.0%	0.2%	-1.0%	-1.2%	-1.1%	-0.5%	-0.6%	-0.6%	-0.7%
RoRE - including financing and tax	%	6.6%	5.0%	10.0%	5.8%	3.3%	5.5%	5.7%	10.2%	6.9%	6.5%

RoRE input values											
Input values provided in Em 12/13 prices											
Equity Return on the RAV	Em 12/13	19.7	19.8	20.0	20.2	20.6	21.1	21.5	21.9	79.7	164.7
Totex outperformance	Em 12/13	9.7	0.8	5.7	(1.7)	(6.6)	(0.3)	8.8	11.0	14.5	27.3
IQI Reward	Em 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.7	1.3
Broad measure of customer service	Em 12/13	1.4	1.4	1.5	1.7	1.9	1.9	1.9	1.9	6.0	13.6
Interruptions-related quality of service	Em 12/13	1.8	0.6	1.5	0.1	0.6	0.6	0.6	0.6	4.0	6.2
Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Time to Connect Incentive	Em 12/13	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	2.6	5.3
Losses discretionary reward scheme	Em 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
Network Innovation	Em 12/13	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(0.6)
Penalties and fines	Em 12/13	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.8)
RoRE - Operational performance	Em 12/13	33.2	23.6	29.4	20.9	17.1	23.9	33.4	36.0	107.1	217.4
Debt performance - at notional gearing	Em 12/13	(9.0)	(3.5)	3.1	2.1	(1.6)	(0.8)	(11.0)	3.4	(7.6)	(17.6)
Debt performance - impact of actual gearing	Em 12/13	0.2	(0.2)	(0.1)	0.1	0.0	(0.0)	0.0	0.0	(0.0)	0.0
Tax performance - at notional gearing	Em 12/13	(2.3)	(3.4)	0.6	(3.3)	(4.3)	(3.8)	(1.9)	(2.3)	(8.3)	(20.5)
Tax performance - impact of actual gearing	Em 12/13	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	0.0
RoRE - including financing and tax	Em 12/13	22.1	16.2	33.0	19.8	11.2	19.3	20.6	37.1	91.1	179.3
NPV-neutral equity element of RAV	Em 12/13	328.1	330.3	333.1	336.3	343.0	351.5	358.7	364.7		
Equity RAV based on actual gearing	Em 12/13	333.2	323.1	328.5	340.6	343.3	351.4	359.1	364.9		

	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast			
	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2019	R10-1 period	Enduring Value Appendix in Commentary

Totex per the latest RRP submission

Totex											
Latest Totex actuals/forecast											
Totex allowance											
Including allowed adjustments and uncertainty mechanisms											
Totex out (under) performance											
Funding Adjustment Rate (often referred to as 'sharino factor')											
Customer share of out(under) performance											
NWO share of performance											
Enduring Value adjustments to Totex performance											
Enduring Value: Customer share of performance											
Enduring Value: NWO share of performance											
Total out(under) performance (including enduring value adjustments)											
Customer share of performance											
NWO share of performance											
Total											

n/a											
Latest Totex actuals/forecast											
Totex allowance											
Including allowed adjustments and uncertainty mechanisms											
Totex out (under) performance											
Funding Adjustment Rate (often referred to as 'sharino factor')											
Customer share of out(under) performance											
NWO share of performance											
Enduring Value adjustments to Totex performance											
Enduring Value: Customer share of performance											
Enduring Value: NWO share of performance											
Total out(under) performance (including enduring value adjustments)											
Customer share of performance											
NWO share of performance											
Total											

Totex Summary											
Total out(under) performance (including enduring value adjustments)											
Customer share of performance											
NWO share of performance											
Total											

IQI Additional Income											
Additional Income is Pre-tax for Fast Track companies and Post-tax for Slow Track.											
IQI Additional Income per PCFM											
Corporation tax rate when recognised in allowed revenue											
Post tax											

Em Nominal											
Financial Year Average RPI (RPI1)											
Index											

Totex											
Latest Totex actuals/forecast											
Totex allowance											
Including forecast allowed adjustments and uncertainty mechanisms											
Totex out (under) performance											
Funding Adjustment Rate (often referred to as 'sharino factor')											
Customer share of out(under) performance											
NWO share of performance											
Enduring Value adjustments to Totex performance											
Enduring Value: Customer share of performance											
Enduring Value: NWO share of performance											
Total out(under) performance (including enduring value adjustments)											
Customer share of performance											
NWO share of performance											
Total											

n/a											
Latest Totex actuals/forecast											
Totex allowance											
Including forecast allowed adjustments and uncertainty mechanisms											
Totex out (under) performance											
Funding Adjustment Rate (often referred to as 'sharino factor')											
Customer share of out(under) performance											
NWO share of performance											
Enduring Value adjustments to Totex performance											
Enduring Value: Customer share of performance											
Enduring Value: NWO share of performance											
Total out(under) performance (including enduring value adjustments)											
Customer share of performance											
NWO share of performance											
Total											

Totex Summary											
Total out(under) performance (including enduring value adjustments)											
Customer share of performance											
NWO share of performance											
Total											

R5 - Output Incentives
SSEH
2019

Navigate

Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Cumulative to 2019	R10-1 period
2016	2017	2018	2019	2020	2021	2022	2023		

Pre-tax Earned Incentives (Actuals may be updated once all incentives are determined)
 These values exclude any inflation, interest or time value of money adjustments

	Em 12/13	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2019	R10-1 period
a Broad measure of customer service	Em 12/13	1.7	1.7	1.9	2.0	2.3	2.3	2.3	2.3	7.3	16.5
b Interruptions-related quality of service	Em 12/13	2.2	0.7	1.9	0.1	0.7	0.7	0.7	0.7	5.0	7.6
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	3.2	6.4
e Losses discretionary reward scheme	Em 12/13	-	0.5	-	-	-	-	-	-	0.5	0.5
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
g	Em 12/13	-	-	-	-	-	-	-	-	-	-
Earned Incentive revenue	Em 12/13	4.8	3.7	4.6	2.9	3.8	3.8	3.8	3.8	15.9	31.0

Additional Commentary

Post-tax Earned Incentives (Actuals may be updated once all incentives are determined)

Year tax paid when incentive recognised in allowed revenue. Select from dropdown in Column C

-
- t+0
- t+1
- t+2
- t+3

	Em 12/13	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2019	R10-1 period
a Broad measure of customer service	Em 12/13	1.4	1.4	1.5	1.7	1.9	1.9	1.9	1.9	6.0	13.6
b Interruptions-related quality of service	Em 12/13	1.8	0.6	1.5	0.1	0.6	0.6	0.6	0.6	4.0	6.2
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	2.6	5.3
e Losses discretionary reward scheme	Em 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
g	Em 12/13	-	-	-	-	-	-	-	-	-	-
Post-Tax Earned Incentive revenue	Em 12/13	3.9	3.0	3.7	2.4	3.1	3.1	3.1	3.1	13.0	25.4

	Em 12/13	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2019	R10-1 period
a Broad measure of customer service	Em 12/13	1.7	1.7	1.9	2.0	2.3	2.3	2.3	2.3	7.3	16.5
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	17%	17%	17%	17%	17%	-	-
Post tax	t+2	1.4	1.4	1.5	1.7	1.9	1.9	1.9	1.9	6.0	13.6
b Interruptions-related quality of service	Em 12/13	2.2	0.7	1.9	0.1	0.7	0.7	0.7	0.7	5.0	7.6
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	17%	17%	17%	17%	17%	-	-
Post tax	t+2	1.8	0.6	1.5	0.1	0.6	0.6	0.6	0.6	4.0	6.2
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	17%	17%	17%	17%	17%	-	-
Post tax	t+2	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	3.2	6.4
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	17%	17%	17%	17%	17%	-	-
Post tax	t+2	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	2.6	5.3
e Losses discretionary reward scheme	Em 12/13	-	0.5	-	-	-	-	-	-	0.5	0.5
Corporation tax rate when recognised in allowed revenue	t+1	20%	19%	19%	19%	17%	17%	17%	17%	-	-
Post tax	t+1	-	0.4	-	-	-	-	-	-	0.4	0.4
f Corporation tax rate when recognised in allowed revenue	Em 12/13	-	-	-	-	-	-	-	-	-	-
Post tax	t+2	-	-	-	-	-	-	-	-	-	-
g Corporation tax rate when recognised in allowed revenue	Em 12/13	-	-	-	-	-	-	-	-	-	-
Post tax	t+2	-	-	-	-	-	-	-	-	-	-

Impact on Allowed Revenue within R10-1

This table shows the impact on allowed revenue in the relevant year - with actuals (subject to determination) and forecasts thereafter.
 The cells above the allowed revenue indicate the year of performance

	Performance Year	Pre-R10	Pre-R10	2016	2017	2018	2019	2020	2021
a Broad measure of customer service	Em nominal	0.6	1.0	1.8	1.8				
b Interruptions-related quality of service	Em nominal	0.2	0.8	2.7	0.9				
c Incentive on connections engagement	Em nominal	-	-	-	-				
d Time to Connect Incentive	Em nominal	-	-	0.8	0.9				
e Losses discretionary reward scheme	Em nominal	-	-	0.5	-				
f	Em nominal	2016	2017	2018	2019	2020	2021	2022	2023
g	Em nominal	2016	2017	2018	2019	2020	2021	2022	2023
Total Impact on Allowed Revenue	Em nominal	0.8	1.9	5.9	3.6				

Additional Commentary

	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Cumulative to 2019	R110-1 period
	2016	2017	2018	2019	2020	2021	2022	2023		
Net Interest Per Statutory Accounts	Em nominal	32.4	34.8	39.2	34.9	34.4	34.4	33.6	15.9	
Reconciliation with Statutory Accounts	Em nominal	-	-	-	-	-	-	-	-	
Interest not qualifying for corporation tax relief	Em nominal	-	-	-	-	-	-	-	-	
Fair value adjustments (e.g. losses on derivatives)	Em nominal	-	-	-	-	-	-	-	-	
Dividends on preference shares	Em nominal	-	-	-	-	-	-	-	-	
Costs of early redemption on long term debt	Em nominal	-	-	-	-	-	-	-	-	
Swap Termination Costs paid	Em nominal	-	-	-	-	-	-	-	-	
Movements relating to pension fund liabilities reported within net interest	Em nominal	-	-	-	-	-	-	-	-	
Debt issuance expenses (inc. amortisation to discounts that had previously benefitted from a tax deduct)	Em nominal	-	-	-	-	-	-	-	-	
Commitment fees for undrawn liquidity backup lines	Em nominal	-	-	-	-	-	-	-	-	
1. Add back capitalised interest	Em nominal	0.4	0.4	-	-	-	-	-	-	
2. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
3. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
4. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
5. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
6. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
7. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
8. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
9. Other adjustment (Overwrite)	Em nominal	-	-	-	-	-	-	-	-	
Net Interest Per Regulatory (R110-1) Definition	Em nominal	32.8	35.2	39.2	34.9	34.4	34.4	33.6	15.9	
Forecast new financing/refinancing costs	Em nominal	-	-	-	-	2.4	3.6	20.2	21.4	
Net Interest Including forecast new financing/refinancing costs	Em nominal	32.8	35.2	39.2	34.9	36.8	37.9	53.9	37.3	
External Net Interest	Em nominal	5.8	9.1	7.2	3.4	2.6	2.7	2.6	2.7	
Intra-company Net Interest	Em nominal	27.0	27.1	32.0	31.5	34.2	35.3	51.3	34.6	
	OK	OK	OK	OK	OK	OK	OK	OK	OK	
Net interest including forecast new financing that relates to principal inflation accretion on bonds and lo	Em nominal	1.6	3.7	5.0	3.6	3.9	3.8	3.1	3.0	
Less inflation in interest charge	Em nominal	7.0	14.7	26.6	22.3	20.2	22.5	25.7	27.3	
Assumed Regulatory finance cost at actual gearing	Em nominal	25.8	20.5	12.5	12.6	16.6	15.5	28.2	9.9	
Financial Year Average RPI (RPI1)	Index	1.060	1.083	1.124	1.158	1.188	1.221	1.258	1.297	
Assumed regulatory finance cost at actual gearing	Em 12/13	24.3	18.9	11.2	10.9	14.0	12.7	22.4	7.7	65.2
Adjustments to be applied to Assumed Finance cost for performance assessment	Em nominal	-	-	-	-	-	-	-	-	
Add back Debt Issuance expenses	Em nominal	-	-	-	-	-	-	-	-	
Costs of early redemption on long term debt (excluding exceptional costs of buy backs associated with I	Em nominal	-	-	-	-	-	-	-	-	
Add accrual for inflation accretion on index-linked swaps (if applicable)	Em nominal	-	-	-	-	-	-	-	-	
Other Adjustments (please specify)	Em nominal	-	-	-	-	-	-	-	-	
Other Adjustments (please specify)	Em nominal	-	-	-	-	-	-	-	-	
Other Adjustments (please specify)	Em nominal	-	-	-	-	-	-	-	-	
Other Adjustments (please specify)	Em nominal	-	-	-	-	-	-	-	-	
Total Adjustments to be applied for performance assessment (at actual gearing)	Em nominal	-	-	-	-	-	-	-	-	
Total Adjustments to be applied for performance assessment (at actual gearing)	Em 12/13	-	-	-	-	-	-	-	-	
Cost of Debt out(under)performance at notional gearing										
Performance against allowance is impacted by deviating from notional levels of gearing										
Notional Gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	
Actual Gearing	%	64.5%	65.8%	65.5%	64.6%	65.0%	65.0%	65.0%	65.0%	
Assumed regulatory finance cost at actual gearing	Em nominal	25.8	20.5	12.5	12.6	16.6	15.5	28.2	9.9	
Adjustment to regulatory finance cost relating to variance from notional gearing	Em nominal	0.2	(0.2)	(0.1)	0.1	0.0	(0.0)	0.0	0.0	
Assumed regulatory finance cost at notional gearing	Em nominal	26.0	20.2	12.4	12.7	16.6	15.5	28.2	9.9	
Assumed regulatory finance cost at notional gearing	Em 12/13	24.5	18.7	11.1	10.9	14.0	12.7	22.4	7.7	65.2
Adjustments to be applied for performance assessment (at notional gearing)	Em 12/13	0	0	0	0	0	0	0	0	-
Cost of Debt Allowance										
The latest published PCFM contains the allowed cost of debt rate (%) for the reporting year.										
However, the SAV does not account for the reporting year actual expenditure and additional allowances.										
Consequently the return element of revenue does not currently reflect the monetary allowance. This is updated and available in the forthcoming annual iteration process.										
To address this timing issue, network operators should forecast the allowance in row 65 (linked to R9-RAV table) - which will be true-up over time.										
Cost of Debt Allowance as per latest published PCFM (prior year AIP)	Em 12/13	15.5	14.8	14.2	13.0	12.2	12.4	12.5	12.6	57.6
Forecast revised Cost of Debt Allowance	Em 12/13	15.5	14.8	14.2	13.1	12.4	11.9	11.5	11.0	57.6
Out(under) performance										
Pre-Tax performance										
Pre-Tax Cost of Debt out(under)performance at actual gearing	Em 12/13	(8.8)	(4.1)	3.0	2.2	(1.6)	(0.8)	(11.0)	3.4	(7.6)
Pre-Tax Cost of Debt out(under)performance at notional gearing	Em 12/13	(9.0)	(3.8)	3.1	2.1	(1.6)	(0.8)	(11.0)	3.4	(7.6)
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of gearing	Em 12/13	0.2	(0.2)	(0.1)	0.1	0.0	(0.0)	0.0	0.0	(0.0)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023
Opening Cash, short term deposits and overdrafts (per Balance Sheet)	-	-	-	-	-	-	-	-
Closing Cash, short term deposits and overdrafts (per Balance Sheet)	130.4	132.7	137.7	142.4	142.9	146.6	151.7	154.7
External borrowings, bonds, external loans and finance leases (+ve)	300.0	300.0	300.0	300.0	300.0	300.0	-	-
Loans from other group companies (-ve)	-	-	-	-	-	-	-	-
Loans to other group companies (-ve)	-	-	-	-	-	-	-	-
Other amounts due to/(from) group companies per Balance Sheet	235.3	273.4	278.9	299.8	299.8	299.8	299.8	299.8
Guarantees given on behalf of other group companies (per Notes to the Accounts) (+ve)	-	-	-	-	-	-	-	-
Currency SWAPS	-	-	-	-	-	-	-	-
Interest rate SWAPS	-	-	-	-	-	-	-	-
Inflation-linked SWAPS	-	-	-	-	-	-	-	-
Interest Rate Forward Contracts	-	-	-	-	-	-	-	-
Foreign exchange forward rate contracts	-	-	-	-	-	-	-	-
Other swaps, forward rate contracts & OTC options	-	-	-	-	-	-	-	-
Other derivatives including exchange traded futures and options	-	-	-	-	-	-	-	-
Total Debt per Statutory Accounts	665.6	706.1	716.6	742.2	742.7	746.4	451.5	454.5
Conversion to Regulatory (R110-1) Definition of Net Debt								
Fixed asset investments not readily convertible to cash	-	-	-	-	-	-	-	-
Preference shares	-	-	-	-	-	-	-	-
Long term loans (Net for benefit of regulated business or distribution in nature)	-	-	-	-	-	-	-	-
1. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
2. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
3. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
4. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
5. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
6. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
7. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
8. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
9. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
10. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
11. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
12. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
Total Net Debt per Regulatory (R110-1) definition	665.6	706.1	716.6	742.2	742.7	746.4	451.5	454.5
Forecast new debt/refinancing	-	-	-	-	52.0	77.0	422.0	450.0
Regulatory Net Debt including forecast new debt/refinancing	665.6	706.1	716.6	742.2	794.7	823.4	873.5	904.5
Opening Regulatory Net Debt including forecast new debt/refinancing	639.4	665.6	706.1	716.6	742.2	794.7	823.4	873.5
Closing Regulatory Net Debt including forecast new debt/refinancing	665.6	706.1	716.6	742.2	794.7	823.4	873.5	904.5
Allocation of net debt (Per regulatory definition. Transmission companies only)								
System operator allocation (Transmission companies only)	0%	0%	0%	0%	0%	0%	0%	0%
Transmission or distribution allocation	100%	100%	100%	100%	100%	100%	100%	100%
Average Net Debt (per Regulatory Definition)	652.5	685.9	711.4	729.4	768.5	809.0	848.4	889.0
Equity RAV	359.8	357.1	375.1	400.5	414.3	435.4	457.7	479.1
Average RAV	1,012.3	1,043.0	1,086.5	1,129.9	1,182.8	1,244.5	1,306.1	1,368.1
Actual Regulatory Gearing	64.5%	65.8%	65.5%	64.6%	65.0%	65.0%	65.0%	65.0%
Notional Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	-0.5%	0.8%	0.5%	-0.4%	0.0%	0.0%	0.0%	0.0%
NPV Neutral assumed Average Net Debt	604.3	620.6	623.1	620.4	636.7	652.9	665.7	677.1
NPV Neutral assumed Equity RAV	333.2	323.1	328.5	340.6	343.3	351.4	359.1	364.9
NPV Neutral assumed Average RAV	937.5	943.7	951.6	961.0	979.9	1,004.4	1,024.8	1,042.0
Actual Regulatory Gearing	64.5%	65.8%	65.5%	64.6%	65.0%	65.0%	65.0%	65.0%
Notional Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	-0.5%	0.8%	0.5%	-0.4%	0.0%	0.0%	0.0%	0.0%

R9 - Regulatory Asset Value (RAV)

**SSEH
2019**

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Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast
2016	2017	2018	2019	2020	2021	2022	2023

RAV per latest published PCFM

The latest published PCFM does not account for the impact of the reporting years totex. This will be published in the forthcoming annual iteration process.

Closing RAV per latest published PCFM

Em 12/13	956.5	965.0	971.9	982.1	991.9	1,001.0	1,012.6	1,021.9
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Revised RAV - Including forecast totex, allowances and enduring value

Revised adjusted RAV including forecast totex, allowances and enduring value

Opening RAV (before transfers)	Em 12/13	953.2	956.5	965.0	971.9	983.0	1,009.7	1,031.8	1,050.4
Transfers	Em 12/13								
Opening RAV (after transfers)	Em 12/13	953.2	956.5	965.0	971.9	983.0	1,009.7	1,031.8	1,050.4
Net additions (after disposals)	Em 12/13	94.5	100.1	97.8	101.2	115.5	110.9	106.7	103.4
Net additions (after disposals) - enduring value adjustment	Em 12/13	94.5	100.1	97.8	101.2	115.5	110.9	106.7	103.4
Total Net Additions	Em 12/13	94.5	100.1	97.8	101.2	115.5	110.9	106.7	103.4
Depreciation	Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.7)	(88.8)	(88.1)	(87.6)
Depreciation - enduring value adjustment	Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.7)	(88.8)	(88.1)	(87.6)
Total Depreciation	Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.7)	(88.8)	(88.1)	(87.6)
[Input other adjustment]	Em 12/13								
[Input other adjustment]	Em 12/13								
[Input other adjustment]	Em 12/13								
Other adjustments	Em 12/13	-							
Adjusted Closing RAV	Em 12/13	956.5	965.0	971.9	983.0	1,009.7	1,031.8	1,050.4	1,066.2
Total enduring value and other adjustments	Em 12/13	-							
CHECK	Em 12/13	TRUE	TRUE	TRUE	NA	NA	NA	NA	NA
Year end RPI	Index	1.068	1.103	1.140	1.172	1.202	1.236	1.273	1.312
Financial Year Average RPI (RPI1)	Index	1.060	1.083	1.124	1.158	1.188	1.221	1.258	1.297
Index for Opening RAV conversion to nominal in yr 1	Index	1.053							
Adjusted Closing RAV	Em nominal	1,021.3	1,064.7	1,108.2	1,151.6	1,214.0	1,275.0	1,337.2	1,399.0
Cost of debt	annual real %	2.55%	2.42%	2.29%	2.09%	1.94%	1.82%	1.72%	1.63%
Cost of equity	annual real %	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Notional gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Vanilla WACC	annual real %	3.76%	3.67%	3.59%	3.46%	3.36%	3.28%	3.22%	3.16%
NPV-neutral debt element of RAV	Em 12/13	609.4	613.4	618.6	624.6	636.9	652.8	666.1	677.3
NPV-neutral equity element of RAV	Em 12/13	328.1	330.3	333.1	336.3	343.0	351.5	358.7	364.7
NPV-neutral RAV return base	Em 12/13	937.5	943.7	951.6	961.0	979.9	1,004.4	1,024.8	1,042.0
Debt Return on RAV	Em 12/13	15.5	14.8	14.2	13.1	12.4	11.9	11.5	11.0
Equity Return on RAV	Em 12/13	19.7	19.8	20.0	20.2	20.6	21.1	21.5	21.9
Total return on RAV	Em 12/13	35.2	34.7	34.1	33.2	32.9	33.0	33.0	32.9
NPV-neutral debt element of RAV	Em nominal	646.1	664.3	695.0	723.3	756.9	797.3	838.1	878.4
NPV-neutral equity element of RAV	Em nominal	347.9	357.7	374.2	389.5	407.5	429.3	451.3	473.0
Adjusted NPV-neutral average RAV	Em nominal	994.1	1,022.0	1,069.2	1,112.7	1,164.4	1,226.6	1,289.4	1,351.3
Debt Return on RAV	Em nominal	16.5	16.1	15.9	15.1	14.7	14.5	14.4	14.3
Equity Return on NPV-neutral RAV	Em nominal	20.9	21.5	22.5	23.4	24.5	25.8	27.1	28.4
Total return on RAV	Em nominal	37.4	37.5	38.4	38.5	39.1	40.3	41.5	42.7

Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
2016	2017	2018	2019	2020	2021	2022	2023

CT600 will not have been submitted for the current reporting year.

It is assumed the current tax charge per the statutory accounts will equal the tax liability in the forthcoming CT600, where this is not the case the licensee should provide an explanation in the commentary of the variance.
This will be corrected / true-up in future years

	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
	2016	2017	2018	2019	2020	2021	2022	2023
Tax liability per latest submitted CT600	13.0	15.9	16.0					
Adjustments to remove non-regulated tax liability								
Tax on non-regulated activities	0.2	0.4	0.5					
[Insert adjustment as necessary]								
[Insert adjustment as necessary]								
[Insert adjustment as necessary]								
Non-regulated tax	0.2	0.4	0.5					
Other adjustments								
Tax on output incentives	0.2	0.4	1.1	0.7				
Tax on ICI	-	-	-	-	-	-	-	-
Collected revenue adjustment ('k')								
Pension - timing adjustment								
Pension - disallowed contributions								
Tax on derivatives not disregarded	(0.2)	(0.3)	2.1					
Transfer Pricing	(0.2)	(0.1)	(0.1)					
[Insert adjustment as necessary]								
[Insert adjustment as necessary]								
[Insert adjustment as necessary]								
[Insert new rows here as necessary]								
Total other adjustments	(0.2)	(0.0)	3.1	0.7	-	-	-	-
Forecast regulated tax liability (including impact of enduring value adjustments)				14.6	14.7	14.9	14.0	15.3
Adjusted forecast regulated tax liability with timing differences	13.0	15.5	12.5	13.9	14.7	14.9	14.0	15.3
Financial year average RPI	1.060	1.083	1.124	1.158	1.188	1.221	1.258	1.297
Adjusted/forecast regulated tax liability with timing differences	12.3	14.3	11.1	12.0	12.4	12.2	11.2	11.8
Tax out(under)performance at notional gearing								
Performance against allowance is impacted by deviating from notional levels of gearing								
Notional Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Actual Gearing	64.5%	65.8%	65.5%	64.6%	65.0%	65.0%	65.0%	65.0%
Adjusted/forecast regulated tax liability with timing differences	13.0	15.5	12.5	13.9	14.7	14.9	14.0	15.3
Adjustment to regulatory tax cost relating to variance from notional gearing	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Revised regulated tax liability for comparison against allowance	13.0	15.6	12.5	13.9	14.7	14.9	14.0	15.3
Revised regulated tax liability for comparison against allowance	12.3	14.4	11.1	12.0	12.4	12.2	11.2	11.8

Allowance

The latest published PCFM does not account for the forecast TIM performance - and ultimate impact on tax allowance.

Tax Allowance per latest published PCFM	Em 12/13	10.0	11.0	11.7	9.0	12.8	12.7	12.3	12.6
Tax clawbacks	Em 12/13	-	-	-	-	-	-	-	-
Net Tax Allowance	Em 12/13	10.0	11.0	11.7	9.0	12.8	12.7	12.3	12.6

Network operators should provide forecast allowances taking account of the latest totex, allowances, reopeners, enduring value adjustments - and other financial variables

Forecast tax allowance	Em 12/13	10.0	11.0	11.7	8.7	8.1	8.5	9.3	9.5
Forecast tax clawbacks	Em 12/13	-	-	-	-	-	-	-	-
Net forecast tax allowance	Em 12/13	10.0	11.0	11.7	8.7	8.1	8.5	9.3	9.5

Reconciliation of forecast movement in allowance

Changes in corporation tax rates	Em 12/13				(0.3)	(4.7)	(4.3)	(3.0)	(3.1)
Tax allowance retained within deadband	Em 12/13				(0.1)	(0.1)	(0.4)	(0.4)	(0.4)
Other adjustments	Em 12/13								
Check	Em 12/13				(0.2)	(4.6)	(3.9)	(2.6)	(2.7)
	Em 12/13	OK	OK	OK	OK	OK	OK	OK	OK

Out(under) performance

Regulated tax out(under) performance at actual gearing	Em 12/13	(2.3)	(3.3)	0.6	(3.3)	(4.3)	(3.8)	(1.9)	(2.3)
Regulated tax out(under) performance at notional gearing	Em 12/13	(2.3)	(3.4)	0.6	(3.3)	(4.3)	(3.8)	(1.9)	(2.3)
Impact on out(under) performance relating to deviating from notional levels of gearing	Em 12/13	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Tax impact of financing performance (at actual gearing)	Em nominal	(1.9)	(0.9)	0.6	0.5	(0.4)	(0.2)	(2.3)	0.7
Tax impact of financing performance (at actual gearing)	Em 12/13	(1.8)	(0.8)	0.6	0.4	(0.3)	(0.1)	(1.9)	0.6
Tax impact of financing performance (at notional gearing)	Em nominal	(1.9)	(0.8)	0.7	0.5	(0.4)	(0.2)	(2.3)	0.7
Tax impact of financing performance (at notional gearing)	Em 12/13	(1.8)	(0.8)	0.6	0.4	(0.3)	(0.1)	(1.9)	0.6

R11 - Dividends
SSEH
2019

Navigate

Dividend paid as per Statutory Accounts
 Less dividend paid not related to Regulated business
 [Insert adjustment as necessary]
 [Insert adjustment as necessary]
 [Insert new rows here as necessary]
 Dividend paid relating to the Regulated Business

Em nominal
 Em nominal
 Em nominal
 Em nominal
 Em nominal

Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	N/A 2020	N/A 2021	N/A 2022	N/A 2023
50.0	50.0	20.0	20.0				
50.0	50.0	20.0	20.0				
-	-	-	-				

Shareholder loan interest (not included as Net Interest per Regulatory (RIIO-1) definition)

R12 - Pensions
SSEH
2019

Navigate

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023
Licensee share of total pension deficit repair payment made for defined benefit scheme	8.4	8.0	3.6	-				
Of which:								
Established deficit element funded via specific allowances	8.4	8.0	3.6	-				
Incremental deficit funded via totex	-	-	-	-				
Established deficit element funded via specific allowances	7.9	7.4	3.2	-	-	-	-	-
Established deficit (EDE) allowance as per PCFM	12.9	12.9	12.9	12.9	0.7	-	-	-
Less Pension Payment History Allowance (PPH)	12.9	12.9	12.9	12.9	0.7	-	-	-
Established deficit allowance less PPH	-	-	-	-	-	-	-	-
Latest pension scheme valuation	Enter valuation date							
	31/03/2016							
Price base	2015/16							
	£m							
Total Liabilities attributable to post cut-off date notional sub fund	231.0							
Total Liabilities attributable to pre cut-off date notional sub fund	1,767.0							
Total Assets attributable to post cut-off date notional sub fund	159.7							
Total Assets attributable to pre cut-off date notional sub fund	1,709.3							
Deficit in the post Cut-Off Date Notional Sub-Fund	71.3							
Deficit in the pre Cut-Off Date Notional Sub-Fund	57.7							
Licensee element of established deficit	25.9							
Licensee element of incremental deficit	32.9							

