

Licensee	SSES
Sector	ED1
Reporting Year: (enter 2014 for 2013-14)	2020
Version (Number)	
Submitted Date:	31/08/2020
Cost of Equity	6.0%
Sharing Factor	56.47%
Notional Gearing	65.0%
R110-1 start date	2016
Price basis	£m 12/13

	Input cells
	Totals cells (of formula within worksheet)
	Referencing to other worksheets
	Referencing to other workbooks
	Check cells
	No Input
	Descriptions and pack data
Materiality £m	
	0.1

Network Operator Data
SSES
2020

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	261.3	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	Actual	290.6	292.6	19%
2020-21	2021	Forecast	296.5	298.5	19%
2021-22	2022	Forecast	303.9	305.9	19%
2022-23	2023	Forecast	312.4	314.4	19%
2023-24	2024	Forecast	321.4	324.4	19%
2024-25	2025	Forecast	330.4	334.4	19%
2025-26	2026	Forecast	339.4	344.4	19%

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
Financial Year Average RPI (RPI)	1.060	1.083	1.124	1.158	1.188	1.212	1.242	1.277
Year end RPI	1.068	1.103	1.140	1.172	1.196	1.220	1.250	1.285
1 year change in Fin Year Ave RPI	1.011	1.021	1.037	1.031	1.026	1.020	1.025	1.028

HMT Forecasts for UK Economy - M3 New Forecasts RPI

Calendar Year	2017	2018	2019	2020	2021	2022	2023	Source
M3 New Forecasts RPI	2.6%	2.6%	2.4%	2.7%	3.3%	3.4%		December 2019 Publication

Forecast growth rate

Reporting Year	2017	2018	2019	2020	2021	2022	2023
Future inflation assumption	2.550%	2.550%	2.550%	2.550%	2.550%	2.550%	2.550%

Selected Capitalisation rates for SSES

	RII01	2014	2015	2016	2017	2018	2019	2020	2021
Totex	70.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
n/a		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
ED - excluding WPD	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
SHET	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.83%	0.77%	0.46%
ET - excluding SHET	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%	1.63%	1.48%
GD	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%	1.63%	1.48%
GT	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%	1.63%	1.48%

Sector	Default	Allowed Cost of Equity	TIM Incentive Strength	Gearing	Main Cap. Rate	RII01 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
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%	1.78%	1.63%	1.48%		
ED	6.0%	55.84%	65.0%	70.0%	2016	Em 12/13	No	Post		2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.63%	1.48%		
ED	6.0%	55.84%	65.0%	72.0%	2016	Em 12/13	No	Post		2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.63%	1.48%		
ED	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post		2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.63%	1.48%		
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ED	6.0%																		

ED

Output incentives for each sector used to populate R5

Input for R5 - Output Incentives
Broad measure of customer service
Interruptions-related quality of service
Incentive on connections engagement
Time to Connect Incentive
Losses discretionary reward scheme

TRUE	ED
FALSE	GD
FALSE	NGGT (TO)
FALSE	NGGT (SO)
FALSE	NGET (TO)
FALSE	NGET (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)
Constraint management
Transportation Support Services
Shrinkage incentive
Residual balancing
Quality of demand forecasting
Greenhouse gas incentive
Maintenance incentive

NGET (TO)
Network Reliability Incentive
Stakeholder Satisfaction Output
SF6 Emissions
Environmental Discretionary Reward

NGET (SO)
Electricity Market Reform incentive revenue
Balancing Services Incentive Scheme / ESO Incentive
Renewable wind forecasting Incentive

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
Heathrow Airport Ltd
National Grid Transmission

Swap legs
Fixed rate
Floating

Version control
SSES
2020

Version:

Submission	Date submitted	Changes
Submission 1	31/08/2020	
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)
SSES
2020

Navigate

	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast		
	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R110-1 period
RoRE based on Notional Gearing										
	31/08/2020									
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	3.5%	2.4%	-1.3%	0.0%	-4.2%	-1.5%	1.2%	0.8%	0.1%	0.1%
IOI Reward	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Broad measure of customer service	0.1%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%
Interruptions-related quality of service	1.8%	1.4%	0.5%	0.2%	0.6%	0.7%	0.7%	0.7%	0.9%	0.8%
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%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
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%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	11.5%	10.2%	5.5%	6.9%	2.9%	5.7%	8.4%	8.0%	7.4%	7.4%
Debt performance - at notional gearing	-2.4%	0.3%	3.3%	1.7%	1.3%	-0.6%	0.2%	-0.8%	0.9%	0.4%
Tax performance - at notional gearing	-0.6%	-1.1%	0.1%	0.1%	0.0%	0.6%	0.6%	0.5%	-0.3%	0.0%
RoRE - Including financing and tax	8.5%	9.3%	8.9%	8.7%	4.2%	5.7%	9.3%	7.7%	7.9%	7.8%

RoRE based on Actual Gearing										
Allowed Equity Return	5.8%	6.2%	6.4%	7.0%	8.0%	8.3%	7.6%	6.0%	6.6%	6.8%
Totex outperformance	3.4%	2.5%	-1.4%	0.0%	-5.5%	-2.1%	1.5%	0.8%	0.1%	0.1%
IOI Reward	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%
Broad measure of customer service	0.1%	0.2%	0.2%	0.3%	0.4%	0.5%	0.4%	0.3%	0.2%	0.3%
Interruptions-related quality of service	1.7%	1.4%	0.5%	0.3%	0.8%	1.0%	0.9%	0.7%	1.0%	0.9%
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%	0.1%	0.1%	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%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Penalties and fines	0.0%	0.0%	0.0%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	11.2%	10.5%	5.9%	8.0%	3.8%	8.0%	10.6%	8.1%	8.1%	8.4%
Debt performance - at actual gearing	-2.2%	0.2%	3.4%	1.8%	1.2%	-1.8%	-0.2%	-0.8%	0.8%	0.2%
Tax performance - at actual gearing	-0.6%	-1.2%	0.1%	0.1%	0.0%	0.9%	0.8%	0.5%	-0.3%	0.1%
RoRE - Including financing and tax	8.4%	9.5%	9.4%	9.9%	5.0%	7.0%	11.2%	7.8%	8.6%	8.6%

RoRE input values											
Input values provided in Em 12/13 prices											
Equity Return on the RAV	Em 12/13	41.6	41.8	42.3	42.8	43.3	43.7	44.2	44.9	211.7	344.5
Totex outperformance	Em 12/13	24.1	16.8	(9.0)	0.1	(29.9)	(10.8)	8.8	6.3	2.0	6.4
IOI Reward	Em 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	1.8	2.7
Broad measure of customer service	Em 12/13	0.8	1.3	1.3	1.6	2.2	2.5	2.5	2.5	7.2	14.8
Interruptions-related quality of service	Em 12/13	12.2	9.8	3.4	1.6	4.3	5.3	5.3	5.3	31.3	47.2
Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Time to Connect Incentive	Em 12/13	1.1	0.6	0.6	1.3	1.2	1.2	1.2	1.2	4.9	8.6
Losses discretionary reward scheme	Em 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
Network Innovation	Em 12/13	(0.2)	(0.2)	0.3	1.9	(0.1)	(0.1)	(0.1)	(0.1)	1.7	1.3
Penalties and fines	Em 12/13	(0.0)	(0.1)	(0.3)	(0.5)	(0.5)	(0.3)	(0.2)	(0.2)	(1.3)	(2.1)
RoRE - Operational performance	Em 12/13	79.9	70.9	39.0	49.2	20.8	41.8	62.0	60.2	259.8	423.7
Debt performance - at notional gearing	Em 12/13	(16.6)	2.1	23.0	12.4	9.2	(4.6)	1.6	(6.1)	30.0	20.9
Debt performance - impact of actual gearing	Em 12/13	0.9	(0.5)	(0.4)	(1.6)	(2.9)	(5.0)	(2.8)	(0.0)	(4.5)	(12.4)
Tax performance - at notional gearing	Em 12/13	(4.0)	(1.9)	0.8	0.6	0.2	4.5	4.7	3.8	(10.4)	2.7
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)
RoRE - Including financing and tax	Em 12/13	60.2	64.5	62.3	60.6	27.3	36.8	65.4	57.9	274.9	435.0
NPV-neutral equity element of RAV	Em 12/13	693.4	697.2	704.3	713.0	721.0	727.9	736.7	747.9		
Equity RAV based on actual gearing	Em 12/13	714.6	677.5	660.6	611.7	543.9	523.2	581.9	746.9		

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

Allowed Revenue - per latest submitted Revenue Return

	31/08/2020							
Opening Base Revenue Allowance	Em 12/13	473.7	473.7	473.7	473.7	473.7		
MOD	Em 12/13	-	(8.0)	(13.8)	(19.5)	(19.0)		
True Up	Em 12/13	-	-	(10.4)	(1.8)	1.1		
Retail Price Index Forecast (RPIF term)	Index	1.082	1.087	1.121	1.159	1.198		
Nominal Base Revenue	Em nominal	512.5	506.2	503.9	524.3	546.1		
Incentive revenue adjustment	Em nominal	(1.9)	4.5	21.1	17.7	8.1	6.8	11.6
Adjustments for Allowed Pass-Through items	Em nominal	-	-	4.3	6.8	(0.6)		
Network Innovation Allowance	Em nominal	1.8	1.6	1.1	1.3	1.2	1.4	1.4
Low Carbon Networks Fund revenue adjustment	Em nominal	2.1	0.1	0.3	0.9	0.1	0.7	0.7
DPCR4 residual distribution losses incentive	Em nominal	16.4	29.8	8.2	-	-		
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
Correction factor	Em nominal	-	(28.3)	(5.2)	7.4	16.5		
Allowed Network Revenue	Em nominal	531.0	570.5	544.2	543.6	538.3	8.9	43.7
(Under) / Over recovery		(4.8)	7.3	16.0	5.5	0.0		

Reconciliation: Regulated Network Revenue to Accounts

Collected Regulated Network Revenue		526.2	577.8	560.2	549.1	538.3		
Other Turnover Items								
Network Innovation Competition (NIC) payments received from SO	Em nominal	-	-	-	-	-		
Legacy Metering Equipment charges	Em nominal	5.7	9.1	8.5	7.1	6.1		
Directly Remunerated Services revenue	Em nominal	58.6	60.9	71.5	17.8	17.0		
Network Asset Secondary Deliverables incentive/penalty	Em nominal	-	-	-	-	-		
Charging outside the Distribution Services Area (Out of Area Charges)	Em nominal	14.5	16.7	19.6	20.9	22.5		
De Minimis Business of the licensee	Em nominal	0.9	5.7	5.3	6.8	4.2		
Other consented activities	Em nominal	-	-	-	-	-		
Data Services revenue	Em nominal	-	-	-	-	-		
[Input description, add additional rows as required]	Em nominal							
Total Other Turnover Items	Em nominal	79.7	92.4	104.9	52.6	49.8		
Other adjustments - please list								
Cable damage income	Em nominal	1.5	1.9	2.0	1.9	2.3		
Connections - customer funded reinforcement	Em nominal	3.0	1.1	1.7	2.6	6.5		
Scrap sales	Em nominal	0.7	0.6	1.0	1.3	0.9		
DUOS Funded Innovation Projects	Em nominal	6.2	4.0	2.2	2.5	2.3		
IFRIC 18 adjustment (customer contributions to income)	Em nominal	6.3	11.8	3.4	-	-		
Contributions to maintenance (embedded service charges)	Em nominal	0.3	0.5	-	-	-		
Last resort supply payment	Em nominal				0.8	0.7		
I2EV SDRC	Em nominal				2.4	0.3		
DPCR 4	Em nominal				0.1	0.7		
Other	Em nominal					0.1		
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
Roundings	Em nominal							
Total other adjustments	Em nominal	18.0	19.9	10.3	11.6	13.8		
Reconciled total revenue	Em nominal	623.8	690.1	675.4	613.3	602.0		
Turnover as per Profit and Loss (Accounts)	Em nominal	623.8	690.1	675.4	613.3	602.0		
Check		OK	OK	OK	OK	OK	OK	OK

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

Totex per the latest RRP submission

31/08/2020

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period	Enduring Value Appendix In Commentary
Totex												
Latest Totex actuals/forecast	£m 12/13	264.8	284.6	320.1	306.9	329.6	301.7	288.3	265.4	1,506.0	2,341.4	
Totex allowance	£m 12/13	307.5	314.3	304.1	307.0	276.6	282.7	283.8	276.6	1,509.6	2,352.7	
Totex out(under)performance	£m 12/13	42.7	29.8	(16.0)	0.1	(53.0)	(19.1)	15.6	11.2	3.6	11.3	
Funding Adjustment Rate (often referred to as 'sharing factor')	%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%		
Customer share of out(under) performance	£m 12/13	18.6	13.0	(7.0)	0.1	(23.1)	(8.3)	6.8	4.9	1.6	4.9	
NWO share of performance	£m 12/13	24.1	16.8	(9.0)	0.1	(29.9)	(10.8)	8.8	6.3	2.0	6.4	
Enduring Value adjustments to Totex performance												
a [Enduring Value adjustment]	£m 12/13											
b [Enduring Value adjustment]	£m 12/13											
c [Enduring Value adjustment]	£m 12/13											
d [Enduring Value adjustment]	£m 12/13											
e [Enduring Value adjustment]	£m 12/13											
f [Enduring Value adjustment]	£m 12/13											
Total enduring value adjustments	£m 12/13											
Enduring Value: Customer share of performance	£m 12/13											
Enduring Value: NWO share of performance	£m 12/13											
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	£m 12/13	18.6	13.0	(7.0)	0.1	(23.1)	(8.3)	6.8	4.9	1.6	4.9	
NWO share of performance	£m 12/13	24.1	16.8	(9.0)	0.1	(29.9)	(10.8)	8.8	6.3	2.0	6.4	
Total	£m 12/13	42.7	29.8	(16.0)	0.1	(53.0)	(19.1)	15.6	11.2	3.6	11.3	

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period	Enduring Value Appendix In Commentary
W/S												
Latest Totex actuals/forecast	£m 12/13	264.8	284.6	320.1	306.9	329.6	301.7	288.3	265.4	1,506.0	2,341.4	
Totex allowance	£m 12/13	307.5	314.3	304.1	307.0	276.6	282.7	283.8	276.6	1,509.6	2,352.7	
Totex out(under)performance	£m 12/13	42.7	29.8	(16.0)	0.1	(53.0)	(19.1)	15.6	11.2	3.6	11.3	
Funding Adjustment Rate (often referred to as 'sharing factor')	%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%		
Customer share of out(under) performance	£m 12/13	18.6	13.0	(7.0)	0.1	(23.1)	(8.3)	6.8	4.9	1.6	4.9	
NWO share of performance	£m 12/13	24.1	16.8	(9.0)	0.1	(29.9)	(10.8)	8.8	6.3	2.0	6.4	
Enduring Value adjustments to Totex performance												
a [Enduring Value adjustment]	£m 12/13											
b [Enduring Value adjustment]	£m 12/13											
c [Enduring Value adjustment]	£m 12/13											
d [Enduring Value adjustment]	£m 12/13											
e [Enduring Value adjustment]	£m 12/13											
f [Enduring Value adjustment]	£m 12/13											
Total enduring value adjustments	£m 12/13											
Enduring Value: Customer share of performance	£m 12/13											
Enduring Value: NWO share of performance	£m 12/13											
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	£m 12/13	18.6	13.0	(7.0)	0.1	(23.1)	(8.3)	6.8	4.9	1.6	4.9	
NWO share of performance	£m 12/13	24.1	16.8	(9.0)	0.1	(29.9)	(10.8)	8.8	6.3	2.0	6.4	
Total	£m 12/13	42.7	29.8	(16.0)	0.1	(53.0)	(19.1)	15.6	11.2	3.6	11.3	

Totex Summary

Total out(under) performance (including enduring value adjustments)												
Customer share of performance	£m 12/13	18.6	13.0	(7.0)	0.1	(23.1)	(8.3)	6.8	4.9	1.6	4.9	
NWO share of performance	£m 12/13	24.1	16.8	(9.0)	0.1	(29.9)	(10.8)	8.8	6.3	2.0	6.4	
Total	£m 12/13	42.7	29.8	(16.0)	0.1	(53.0)	(19.1)	15.6	11.2	3.6	11.3	

IQI Additional Income

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period	Enduring Value Appendix In Commentary
Additional Income is Pre-tax for Fast Track companies and Post-tax for Slow Track												
IQI Additional Income per PCFM	£m 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	1.8	2.7	
Corporation tax rate when recognised in allowed revenue	%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	
Post tax	£m 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	1.8	2.7	

£m Nominal

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period	Enduring Value Appendix In Commentary
Financial Year Average RPI (RPI)	Index	1,060	1,082	1,124	1,158	1,188	1,212	1,242	1,277			

Totex

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period	Enduring Value Appendix In Commentary
Totex												
Latest Totex actuals/forecast	£m nominal	280.8	308.2	359.7	355.2	391.5	365.6	333.2	338.8	1,695.5	2,733.1	
Totex allowance	£m nominal	326.1	340.4	341.7	355.5	328.5	342.5	352.5	353.1	1,692.2	2,740.4	
Totex out(under)performance	£m nominal	45.3	32.3	(18.0)	0.2	(63.0)	(23.1)	19.3	14.3	(3.3)	7.3	
Funding Adjustment Rate (often referred to as 'sharing factor')	%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%		
Customer share of out(under) performance	£m nominal	19.7	14.0	(7.8)	0.1	(27.4)	(10.1)	8.4	6.2	(1.4)	3.2	
NWO share of performance	£m nominal	25.6	18.2	(10.2)	0.1	(35.6)	(13.0)	10.9	8.1	(1.8)	4.1	
Enduring Value adjustments to Totex performance												
a [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
b [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
c [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
d [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
e [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
f [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
Total enduring value adjustments	£m nominal	-	-	-	-	-	-	-	-	-	-	
Enduring Value: Customer share of performance	£m nominal	-	-	-	-	-	-	-	-	-	-	
Enduring Value: NWO share of performance	£m nominal	-	-	-	-	-	-	-	-	-	-	
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	£m nominal	19.7	14.0	(7.8)	0.1	(27.4)	(10.1)	8.4	6.2	(1.4)	3.2	
NWO share of performance	£m nominal	25.6	18.2	(10.2)	0.1	(35.6)	(13.0)	10.9	8.1	(1.8)	4.1	
Total	£m nominal	45.3	32.3	(18.0)	0.2	(63.0)	(23.1)	19.3	14.3	(3.3)	7.3	

W/S

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period	Enduring Value Appendix In Commentary
W/S												
Latest Totex actuals/forecast	£m nominal	280.8	308.2	359.7	355.2	391.5	365.6	333.2	338.8	1,695.5	2,733.1	
Totex allowance	£m nominal	326.1	340.4	341.7	355.5	328.5	342.5	352.5	353.1	1,692.2	2,740.4	
Totex out(under)performance	£m nominal	45.3	32.3	(18.0)	0.2	(63.0)	(23.1)	19.3	14.3	(3.3)	7.3	
Funding Adjustment Rate (often referred to as 'sharing factor')	%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%		
Customer share of out(under) performance	£m nominal	19.7	14.0	(7.8)	0.1	(27.4)	(10.1)	8.4	6.2	(1.4)	3.2	
NWO share of performance	£m nominal	25.6	18.2	(10.2)	0.1	(35.6)	(13.0)	10.9	8.1	(1.8)	4.1	
Enduring Value adjustments to Totex performance												
a [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
b [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
c [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
d [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
e [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
f [Enduring Value adjustment]	£m nominal	-	-	-	-	-	-	-	-	-	-	
Total enduring value adjustments	£m nominal	-	-	-	-	-	-	-	-	-	-	
Enduring Value: Customer share of performance	£m nominal	-	-	-	-	-	-	-	-	-	-	
Enduring Value: NWO share of performance	£m nominal	-	-	-	-	-	-	-	-	-	-	
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	£m nominal	19.7	14.0	(7.8)	0.1	(27.4)	(10.1)	8.4	6.2	(1.4)	3.2	
NWO share of performance	£m nominal	25.6	18.2	(10.2)	0.1	(35.6)	(13.0)	10.9	8.1	(1.8)	4.1	
Total	£m nominal	45.3	32.3	(18.0)	0.2	(63.0)	(23.1)	19.3	14.3	(3.3)	7.3	

Totex Summary

Total out(under) performance (including enduring value adjustments)												
Customer share of performance	£m nominal	19.7	14.0	(7.8)	0.1	(27.4)	(10.1)	8.4	6.2	(1.4)	3.2	
NWO share of performance	£m nominal	25.6										

R5 - Output Incentives
SSES
2020

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast		
2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R110-1 period

Pre-tax Earned Incentives (Actuals may be updated once all Incentives are determined)
 These values exclude any initiation, interest or time value of money adjustments 31/08/2020

	Em 12/13									
a Broad measure of customer service	0.9	1.6	1.6	2.0	2.7	3.1	3.1	3.1	8.9	18.2
b Interruptions-related quality of service	15.1	12.1	4.2	2.0	5.3	6.5	6.5	6.5	38.7	58.2
c Incentive on connections engagement	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	1.4	0.8	0.8	1.6	1.5	1.5	1.5	1.5	6.1	10.6
e Losses discretionary reward scheme	-	0.5	-	-	-	-	-	-	0.5	0.5
f	-	-	-	-	-	-	-	-	-	-
g Earned Incentive revenue	17.4	15.0	6.6	5.6	9.6	11.1	11.1	11.1	54.1	87.5

Additional Commentary

a	
b	
c	
d	
e	
f	
g	

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									
a Broad measure of customer service	0.8	1.3	1.3	1.6	2.2	2.5	2.5	2.5	7.2	14.8
b Interruptions-related quality of service	12.2	9.8	3.4	1.6	4.3	5.3	5.3	5.3	31.3	47.2
c Incentive on connections engagement	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	1.1	0.6	0.6	1.3	1.2	1.2	1.2	1.2	4.9	8.6
e Losses discretionary reward scheme	-	0.4	-	-	-	-	-	-	0.4	0.4
f	-	-	-	-	-	-	-	-	-	-
g Post-Tax Earned Incentive revenue	14.1	12.1	5.4	4.5	7.7	9.0	9.0	9.0	43.9	70.9

a Broad measure of customer service	Em 12/13	0.9	1.6	1.6	2.0	2.7	3.1	3.1	3.1	8.9	18.2
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
Post tax		0.8	1.3	1.3	1.6	2.2	2.5	2.5	2.5	7.2	14.8
b Interruptions-related quality of service	Em 12/13	15.1	12.1	4.2	2.0	5.3	6.5	6.5	6.5	38.7	58.2
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
Post tax		12.2	9.8	3.4	1.6	4.3	5.3	5.3	5.3	31.3	47.2
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
Post tax		-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	1.4	0.8	0.8	1.6	1.5	1.5	1.5	1.5	6.1	10.6
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
Post tax		1.1	0.6	0.6	1.3	1.2	1.2	1.2	1.2	4.9	8.6
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%	19%	19%	19%	19%	19%	19%
Post tax		-	0.4	-	-	-	-	-	-	0.4	0.4
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue		-	-	-	-	-	-	-	-	-	-
Post tax		-	-	-	-	-	-	-	-	-	-
g	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue		-	-	-	-	-	-	-	-	-	-
Post tax		-	-	-	-	-	-	-	-	-	-

Impact on Allowed Revenue within R110-1

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-R110	Pre-R110	2016	2017	2018	2019	2020	2021
a Broad measure of customer service	Em nominal	(2.2)	(2.7)	1.0	1.8	1.7	2.3	3.2	3.8
b Interruptions-related quality of service	Performance Year	Pre-R110	Pre-R110	2016	2017	2018	2019	2020	2021
Em nominal		0.3	7.2	18.2	15.0	5.4	2.6	6.5	8.3
c Incentive on connections engagement	Performance Year	Pre-R110	Pre-R110	2016	2017	2018	2019	2020	2021
Em nominal		-	-	-	-	-	-	-	-
d Time to Connect Incentive	Performance Year	Pre-R110	Pre-R110	2016	2017	2018	2019	2020	2021
Em nominal		-	-	1.5	0.9	0.9	1.8	1.8	1.8
e Losses discretionary reward scheme	Performance Year	Pre-R110	2016	2017	2018	2019	2020	2021	2022
Em nominal		-	-	0.5	-	-	-	-	-
f	Performance Year	2016	2017	2018	2019	2020	2021	2022	2023
Em nominal		-	-	-	-	-	-	-	-
g	Performance Year	2016	2017	2018	2019	2020	2021	2022	2023
Em nominal		-	-	-	-	-	-	-	-
Total Impact on Allowed Revenue	Em nominal	(1.9)	4.5	21.1	17.7	8.1	6.8	11.6	13.9

Additional Commentary

a	
b	
c	
d	
e	
f	
g	

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
Network Innovation Allowance								
Eligible NIA expenditure and Bid Preparation costs	2.0	1.8	1.2	1.5	1.3	1.6	1.6	1.6
Unrecoverable Expenditure (eg not conforming to technical requirements)	-	-	-	-	-	-	-	-
Company Compulsory Contribution (including % contribution funded by licensee)	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2
Allowed NIA adjustment	1.8	1.6	1.1	1.3	1.2	1.4	1.4	1.4
Low Carbon Networks Fund								
Second Tier and Discretionary (as per latest Revenue RRP)	2.1	0.1	0.3	0.9	0.1	0.7	0.7	0.7
First Tier Funding Mechanism (as per latest Revenue RRP)	-	-	-	-	-	-	-	-
Low Carbon Networks Fund revenue adjustment	2.1	0.1	0.3	0.9	0.1	0.7	0.7	0.7
Network Innovation Competition								
Awarded NIC funding actually spent or forecast to be spent	-	-	-	-	-	-	-	-
Company Compulsory Contribution (including % contribution funded by licensee)	-	-	-	-	-	-	-	-
Successful Delivery Rewards								
Em nominal	-	-	0.4	2.4	-	-	-	-
RoRE Inputs								
Network innovation	0.2	0.2	(0.3)	(1.9)	0.1	0.1	0.1	0.1

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 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)	-	-	-	-	-	-	-	-
External borrowings, bonds, external loans and finance leases (+ve)	800.5	800.9	803.4	805.4	815.9	815.0	816.1	817.6
Loans from other group companies (+ve)	400.0	400.0	400.0	400.0	800.0	800.0	800.0	400.0
Loans to other group companies (-ve)	-	-	-	-	-	-	-	-
Other amounts due to/(from) group companies per Balance Sheet	232.0	272.4	410.2	533.2	294.9	294.9	294.9	294.9
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	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,909.9	1,911.0	1,612.5
Conversion to Regulatory (RIIO-1) Definition of Net Debt								
Unamortised Issue Costs	-	-	-	-	-	-	-	-
Fixed asset investments not readily convertible to cash	-	-	-	-	-	-	-	-
Preference shares	-	-	-	-	-	-	-	-
Long term loans (Not 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 (RIIO-1) definition	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,909.9	1,911.0	1,612.5
Forecast new debt/refinancing	-	-	-	-	-	-	-	155.0
Regulatory Net Debt including forecast new debt/refinancing	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,909.9	1,911.0	1,667.5
Opening Regulatory Net Debt including forecast new debt/refinancing	1,302.7	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,909.9	1,911.0
Closing Regulatory Net Debt including forecast new debt/refinancing	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,909.9	1,911.0	1,667.5
Allocation of net debt (Per regulatory definition, Transmission companies only)								
System operator allocation (transmission companies only)	%	0%	0%	0%	0%	0%	0%	0%
Transmission or distribution allocation	%	100%	100%	100%	100%	100%	100%	100%
Average Net Debt (per Regulatory Definition)								
Equity RAV	1,367.6	1,452.9	1,543.4	1,676.1	1,824.7	1,910.3	1,910.4	1,789.2
Average RAV	771.6	748.8	754.3	719.2	654.5	642.1	730.0	961.3
Actual Regulatory Gearing	63.9%	66.0%	67.2%	70.0%	73.6%	74.8%	72.4%	65.0%
Notional Gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	%	-1.1%	1.0%	2.2%	5.0%	8.6%	9.8%	0.0%
NPV Neutral assumed Average Net Debt								
NPV Neutral assumed Equity RAV	1,266.55	1,314.5	1,351.7	1,425.5	1,516.2	1,556.5	1,522.8	1,901.1
NPV Neutral assumed Average RAV	714.6	677.5	660.6	611.7	543.9	523.2	581.9	746.9
Actual Regulatory Gearing	%	63.9%	66.0%	67.2%	70.0%	73.6%	74.8%	65.0%
Notional Gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	%	-1.1%	1.0%	2.2%	5.0%	8.6%	9.8%	0.0%

		Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023
RAV per latest published PCFM									
The latest published PCFM does not account for the impact of the reporting years tolex. This will be published in the forthcoming annual 31/08/2020									
Closing RAV per latest published PCFM	Em 12/13	2,020.4	2,035.7	2,060.3	2,083.7	2,087.4	2,096.7	2,133.2	2,166.5
Revised RAV - including forecast tolex, allowances and enduring value									
Revised adjusted RAV including forecast tolex, allowances and enduring value									
Opening RAV (before transfers)	Em 12/13	2,015.0	2,020.4	2,035.7	2,060.3	2,083.7	2,104.9	2,121.4	2,154.0
Transfers	Em 12/13	-	-	-	-	-	-	-	-
Opening RAV (after transfers)	Em 12/13	2,015.0	2,020.4	2,035.7	2,060.3	2,083.7	2,104.9	2,121.4	2,154.0
Net additions (after disposals)	Em 12/13	202.3	211.0	217.7	214.2	209.8	203.7	193.9	190.2
Net additions (after disposals) - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
Total Net Additions	Em 12/13	202.3	211.0	217.7	214.2	209.8	203.7	193.9	190.2
Depreciation	Em 12/13	(196.8)	(195.7)	(193.1)	(190.8)	(188.6)	(187.1)	(161.4)	(159.5)
Depreciation - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
Total Depreciation	Em 12/13	(196.8)	(195.7)	(193.1)	(190.8)	(188.6)	(187.1)	(161.4)	(159.5)
[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	2,020.4	2,035.7	2,060.3	2,083.7	2,104.9	2,121.4	2,154.0	2,184.8
Total enduring value and other adjustments	Em 12/13	-	-	-	-	-	-	-	-
CHECK		TRUE	TRUE	TRUE	TRUE	NA	NA	NA	NA
Year end RPI	Index	1,068	1,103	1,140	1,172	1,196	1,220	1,250	1,285
Financial Year Average RPI (RPI1)	Index	1,060	1,083	1,124	1,158	1,188	1,212	1,242	1,277
Index for Opening RAV conversion to nominal in yr 1	Index	1,053							
Adjusted Closing RAV	Em nominal	2,157.3	2,246.0	2,349.4	2,441.2	2,517.2	2,587.7	2,693.1	2,808.0
Cost of debt	annual real %	2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.63%	1.48%
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%	3.26%	3.16%	3.06%
NPV-neutral debt element of RAV	Em 12/13	1,287.7	1,294.8	1,308.0	1,324.2	1,339.1	1,351.8	1,368.1	1,389.0
NPV-neutral equity element of RAV	Em 12/13	693.4	697.2	704.3	713.0	721.0	727.9	726.7	747.9
NPV-neutral RAV return base	Em 12/13	1,981.1	1,992.0	2,012.3	2,037.2	2,060.1	2,079.7	2,104.7	2,136.9
Debt Return on RAV	Em 12/13	32.8	31.3	30.0	27.7	26.0	24.1	22.3	20.6
Equity Return on RAV	Em 12/13	41.6	41.8	42.3	42.8	43.3	43.7	44.2	44.9
Total return on RAV	Em 12/13	74.4	73.2	72.2	70.5	69.2	67.7	66.5	65.4
NPV-neutral debt element of RAV	Em nominal	1,365.4	1,402.3	1,469.6	1,533.3	1,590.6	1,637.9	1,699.0	1,773.3
NPV-neutral equity element of RAV	Em nominal	735.2	755.1	791.3	825.6	856.5	881.9	914.9	954.9
Adjusted NPV-neutral average RAV	Em nominal	2,100.6	2,157.4	2,261.0	2,358.9	2,447.1	2,519.8	2,613.9	2,728.2
Debt Return on RAV	Em nominal	34.8	33.9	33.7	32.0	30.9	29.2	27.7	26.2
Equity Return on NPV-neutral RAV	Em nominal	44.1	45.3	47.5	49.5	51.4	52.9	54.9	57.3
Total return on RAV	Em nominal	78.9	79.2	81.1	81.6	82.2	82.1	82.6	83.5

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 31/08/2020
This will be corrected / tried-up in future years

Tax liability per latest submitted CT600 (pre-group relief)	Em nominal	35.1	37.7	28.4	26.3				
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Adjustments to remove non-regulated tax liability	Em nominal	1.0	1.5	2.4	(1.0)				
Tax on non-regulated activities	Em nominal								
(Insert adjustment as necessary)	Em nominal								
(Insert adjustment as necessary)	Em nominal								
(Insert adjustment as necessary)	Em nominal								
Non-regulated tax	Em nominal	1.0	1.5	2.4	(1.0)				

Other adjustments	Em nominal	(0.4)	0.9	4.0	3.4	1.5	1.3	2.2	2.6
Tax on output incentives	Em nominal								
Tax on ICI	Em nominal								
Collected revenue adjustment (K)	Em nominal								
Pension - timing adjustment	Em nominal								
Pension - disallowed contributions	Em nominal								
Tax on derivatives not disregarded	Em nominal								
Tax arising from MOD values	Em nominal								
Transfer Pricing	Em nominal	(0.3)	(0.3)	(0.3)	(0.3)				
(Insert adjustment as necessary)	Em nominal								
(Insert adjustment as necessary)	Em nominal								
(Insert adjustment as necessary)	Em nominal								
(Insert new rows here as necessary)	Em nominal								
Total other adjustments	Em nominal	(0.7)	0.6	3.7	3.0	1.5	1.3	2.2	2.6

Forecast regulated tax liability (including impact of enduring value adjustments)	Em nominal					27.9	26.5	29.1	32.7
Adjusted forecast regulated tax liability with timing differences	Em nominal	34.8	35.6	22.3	24.3	26.4	25.3	26.9	30.0

Financial year average RPI	Index	1.060	1.083	1.124	1.158	1.188	1.212	1.242	1.277
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Adjusted/forecast regulated tax liability with timing differences	Em 12/13	32.8	32.9	19.8	21.0	22.2	20.8	21.6	23.5
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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	%	63.9%	66.0%	67.2%	70.0%	73.6%	74.8%	72.4%	65.0%

Adjusted/forecast regulated tax liability with timing differences	Em nominal	34.8	35.6	22.3	24.3	26.4	25.3	26.9	30.0
Adjustment to regulatory tax cost relating to variance from notional gearing	Em nominal	(0.2)	(0.1)	(0.1)	(0.3)	(0.5)	(1.0)	(0.6)	(0.0)
Revised regulated tax liability for comparison against allowance	Em nominal	34.9	35.5	22.2	24.0	25.9	24.3	26.3	30.0
Revised regulated tax liability for comparison against allowance	Em 12/13	32.9	32.8	19.8	20.8	21.8	20.0	21.2	23.5

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	26.1	25.2	24.2	23.3	26.2	26.9	26.3	26.4
Tax clawbacks	Em 12/13						(1.0)		
Net Tax Allowance	Em 12/13	26.1	25.2	24.2	23.3	26.2	25.9	26.3	26.4

Network operators should provide forecast allowances taking account of the latest totex, allowances, reopeners, enduring value adjustments - and other financial variables									
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Forecast tax allowance	Em 12/13	26.1	25.2	24.2	23.3	23.5	24.8	26.1	26.4
Forecast tax clawbacks	Em 12/13	-	-	-	-	-	(1.0)	-	-
Net forecast tax allowance	Em 12/13	26.1	25.2	24.2	23.3	23.5	23.9	26.1	26.4

Reconciliation of forecast movement in allowance									
Changes in corporation tax rates	Em 12/13					(2.7)	(2.1)	(0.2)	(0.0)
Tax allowance retained within deadband	Em 12/13					(0.3)	(0.3)	(0.3)	(0.3)
Other adjustments	Em 12/13					(2.5)	(1.8)	0.1	0.2
Check	Em 12/13	OK	OK	OK	OK	OK	OK	OK	OK

Out(under) performance									
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Regulated tax out(under) performance at actual gearing	Em 12/13	(6.6)	(7.7)	4.4	2.3	1.2	3.0	4.5	2.9
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Regulated tax out(under) performance at notional gearing	Em 12/13	(6.8)	(7.6)	4.5	2.6	1.7	3.8	5.0	2.9
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Impact on out(under) performance relating to deviating from notional levels of gearing	Em 12/13	0.2	(0.1)	(0.1)	(0.3)	(0.5)	(0.8)	(0.5)	(0.0)
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Tax impact of financing performance (at actual gearing)	Em nominal	(2.8)	0.3	4.0	2.0	1.2	(1.9)	(0.3)	(1.2)
Tax impact of financing performance (at actual gearing)	Em 12/13	(2.6)	0.3	3.6	1.7	1.0	(1.5)	(0.2)	(1.0)
Tax impact of financing performance (at notional gearing)	Em nominal	(2.9)	0.4	4.1	2.3	1.7	(0.9)	0.3	(1.2)
Tax impact of financing performance (at notional gearing)	Em 12/13	(2.8)	0.3	3.7	2.0	1.5	(0.7)	0.2	(1.0)
Tax impact of financing performance relating to deviating from notional levels of gearing	Em 12/13	0.2	(0.1)	(0.1)	(0.3)	(0.5)	(0.8)	(0.5)	(0.0)

R11 - Dividends
SSES
2020

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

Shareholder loan interest (not included as Net Interest per Regulatory (R110-1) definition)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Est 2021	Est 2022	Est 2023
Em nominal	200.0	100.0	120.0	145.0	100.0			
Em nominal								
Em nominal								
Em nominal	200.0	100.0	120.0	145.0	100.0			
Em nominal	-	-	-	-	-			

Licensee share of total pension deficit repair payment made for defined benefit scheme
Of which:
Established deficit element funded via specific allowances
Incremental deficit funded via totex

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
£m nominal 31/08/2020	28.8	26.6	27.4	28.4	25.5	-	-	-
£m nominal	28.8	26.6	27.4	28.4	25.5	-	-	-
£m nominal	-	-	-	-	-	-	-	-
Established deficit element funded via specific allowances	27.2	24.6	24.4	24.5	21.5	-	-	-
Established deficit (EDE) allowance as per PCFM	32.2	32.2	32.2	25.4	25.4	16.1	16.1	16.1
Less Pension Payment History Allowance (PPH)	32.2	32.2	32.2	25.4	25.4	16.1	16.1	16.1
Established deficit allowance less PPH	-	-	-	-	-	-	-	-

Latest pension scheme valuation

Price base

Enter
valuation
date
31/03/2019

2018/19

Total Liabilities attributable to post cut-off date notional sub fund
Total Liabilities attributable to pre cut-off date notional sub fund
Total Assets attributable to post cut-off date notional sub fund
Total Assets attributable to pre cut-off date notional sub fund

£m
333.3
2,211.1
307.3
1,950.5

Deficit in the post Cut-Off Date Notional Sub-Fund
Deficit in the pre Cut-Off Date Notional Sub-Fund

26.0
260.6

Licensee element of established deficit
Licensee element of Incremental deficit

8.3
168.3

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
Post-tax total fines and penalties (Including GS payments)	0.0	0.1	0.3	0.5	0.5	0.3	0.2	0.2
Em 12/13 31/08/2020								
Ofgem related fines and penalties								
[Insert detail of fine or penalty]								
[Insert detail of fine or penalty]								
[Insert new rows here as necessary]								
Total Ofgem related fines and penalties	-	-	-	-	-	-	-	-
Any adjustment for tax								
Post-tax total fines and penalties	-	-	-	-	-	-	-	-
Guaranteed Standard (GS) payments								
Total GS payments	0.1	0.1	0.3	0.5	0.6	0.3	0.3	0.3
Any adjustment for tax	-	-	-	-	-	-	-	-
Post-tax total GS payments	0.1	0.1	0.3	0.5	0.6	0.3	0.3	0.3