

Licensee	SSEH
Sector	ED1
Reporting Year: (enter 2014 for 2013-14)	2023
Version (Number)	1
Submitted Date:	31/07/2023
Cost of Equity	6.0%
Sharing Factor	56.47%
Notional Gearing	65.0%
R110-1 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
2023

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	290.5	292.6	19%
2020-21	2021	Actual	294.2	299.0	19%
2021-22	2022	Actual	311.2	329.1	19%
2022-23	2023	Actual	351.1	369.7	19%
2023-24	2024	Forecast			19%
2024-25	2025	Forecast			19%
2025-26	2026	Forecast			19%

	Actuals							
	2016	2017	2018	2019	2020	2021	2022	2023
Financial Year Average RPI (RPI)	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.435
Year end RPI	1.068	1.103	1.140	1.172	1.196	1.222	1.345	1.511
1 year change in Fin Year Ave RPI	1.011	1.021	1.037	1.031	1.026	1.012	1.058	1.129

HMT Forecasts for UK Economy - M3 New Forecasts RPI

Calendar Year	2017	2018	2019	2020	2021	2022	2023	Source
M3 New Forecasts RPI								

Forecast growth rate

Reporting Year	2017	2018	2019	2020	2021	2022	2023
Forecast growth rate							

Future inflation assumption

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

Selected Capitalisation rates for SSEH

	RPI01
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%	1.09%	0.76%	0.44%
ED - excluding WPD	6.7%	6.4%	2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.62%	1.44%
NPnY	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.76%		
ET - excluding SHET	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%		
GD	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%		
GT	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%		

Sector	Default	Allowed Cost of Equity	TIM Incentive Strength	Gearing	Main Cap. Rate	RPI01 start date	Price Basis	Fast Tracked	IQI pre or post tax	Allowed cost of debt											
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	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%	1.78%	1.62%	1.44%
ED	NPnY	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%	1.62%	1.44%
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%	1.78%	1.62%	1.44%
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%	1.78%	1.62%	1.44%
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%	1.78%	1.62%	1.44%
ED	SPD	6.0%	53.50%	65.0%	80.0%	2016	Em 12/13	Yes	Pre					2.55%	2.38%	2.22%	1.91%	1.58%	1.09%	0.76%	0.44%
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%	1.78%	1.62%	1.44%
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%	1.78%	1.62%	1.44%
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%	1.78%	1.62%	1.44%
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%	1.09%	0.76%	0.44%
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%	1.09%	0.76%	0.44%
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%	1.09%	0.76%	0.44%
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%	1.09%	0.76%	0.44%
GD	Cadent-EOE	6.7%	63.04%	65.0%	26.4%	2014	Em 09/10	No	Pre					2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%
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%	1.09%
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%	1.09%
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%	1.09%
GD	NGN	6.7%	63.04%	65.0%	35.0%	2014	Em 09/10	No	Pre					2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%
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%	1.09%
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%	1.09%
GD	WWUJ	6.7%	63.73%	65.0%	35.8%	2014	Em 09/10	No	Pre					2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%
GT	NGGT (TO)	6.8%	44.36%	62.5%	68.4%	2014	Em 09/10	No	Pre					2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%
GT	NGGT (SO)	6.8%	44.36%	62.5%	67.4%	2014	Em 09/10	No	Pre					2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%
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%	1.09%
ET	NGESO	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%	1.09%
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%	1.09%
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%	0.76%

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	90.00%	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	90.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
WWUJ	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)	-1.1	-1.2	-1.4	-1.6	-1.9	-1.3	-1.1	-1.0

IQI Additional Income

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ENWL		1.6	1.5	1.5	1.5	1.5	1.4	1.5	1.4	
NPnY		-0.7	-0.6	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	
ED		-0.9	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-0.7	
UKPN-EPN		-3.3	-3.3	-3.2	-3.1	-3.1	-2.9	-2.9	-2.7	
UKPN-LPN		-2.4	-2.4	-2.2	-2.1	-2.2	-2.1	-1.9	-1.8	
UKPN-SPN		-2.2	-2.4	-2.2	-2.1	-2.0	-1.9	-1.9	-1.8	
SPD		-1.9	-1.8	-1.8	-1.7	-1.7	-1.4	-1.5	-1.4	
SPMW		-2.1	-2.2	-2.0	-1.8	-1.8	-1.8	-1.6	-1.5	
SSEH		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	0.3	0.3	0.3	0.3	
WPD-EMID		7.1	7.0	6.2	6.3	6.2	6.5	6.6	6.6	
WPD-WMID		6.5	6.5	6.3	6.4	6.6	6.8	6.7	6.8	
WPD-SWALES		3.7	3.7	3.5	3.7	3.4	3.4	3.3	3.4	
WPD-SWEST		5.4	5.4	5.3	5.4	5.3	5.3	5.3	5.6	
Cadent-EOE	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.3	
Cadent-London	1.2	1.2	1.3	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	0.8	
Cadent-NW	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
NGGT (TO)	3.1	3.2	3.2	3.2	3.0	3.0	3.0	3.0	3.0	
SGN - Scotland	2.1	2.0	2.0	2.1	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	4.1	
WWUJ	1.4	1.4	1.4	1.3	1.3	1.3	1.4	1.4	1.4	
NGGT (TO)	-1.1	-1.1	-1.2	-1.4	-1.9	-1.3	-1.1	-1.0	-1.0	
NGGT (SO)	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	
NGET (TO)	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
NGESO	0.9	0.9	0.9	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
Time to Connect Incentive
Losses discretionary reward scheme

TRUE	ED
FALSE	GD
FALSE	NGGT (TO)
FALSE	NGGT (SO)
FALSE	NGET (TO)
FALSE	NGESO
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

NGESO
Electricity Market Reform incentive revenue
Balancing Services Incentive Scheme / ESO
Renewable wind forecasting incentive
ESO Reporting and Incentive (ESORI)

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

Bank
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
2023

Version:

Submission	Date submitted	Changes
Submission 1		
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](#)

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

RoRE based on Notional Gearing

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2023	R110-1 period
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	%	3.2%	1.2%	2.3%	0.9%	0.7%	-4.3%	-7.4%	-6.8%	-1.4%	-1.4%
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%	0.4%	0.5%	0.5%	0.6%	0.5%	0.4%	0.5%	0.5%
Interruptions-related quality of service	%	0.5%	0.2%	0.5%	0.0%	0.3%	0.2%	0.8%	-0.1%	0.3%	0.3%
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%	0.1%	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%	-2.2%	-0.2%	-0.3%	-0.3%
RoRE - Operational performance	%	10.4%	8.1%	9.5%	7.6%	7.8%	2.6%	-2.2%	-0.5%	5.3%	5.3%
Debt performance - at notional gearing	%	-2.9%	-1.0%	4.6%	0.9%	0.1%	-0.7%	7.0%	23.1%	4.1%	4.1%
Tax performance - at notional gearing	%	-0.3%	-0.8%	-0.6%	-1.4%	0.2%	0.8%	-0.4%	-1.8%	-0.6%	-0.6%
RoRE - including financing and tax	%	7.2%	6.2%	13.5%	7.1%	8.1%	2.7%	4.4%	20.8%	8.8%	8.8%

RoRE based on Actual Gearing

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2023	R110-1 period
Allowed Equity Return	%	5.9%	6.1%	6.0%	5.9%	6.5%	7.0%	5.9%	5.1%	6.0%	6.0%
Totex outperformance	%	3.1%	1.2%	2.4%	0.9%	0.8%	-5.0%	-7.3%	-5.8%	-1.4%	-1.4%
IQI Reward	%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Broad measure of customer service	%	0.4%	0.4%	0.5%	0.5%	0.6%	0.7%	0.5%	0.4%	0.5%	0.5%
Interruptions-related quality of service	%	0.5%	0.2%	0.5%	0.0%	0.3%	0.2%	0.7%	-0.1%	0.3%	0.3%
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%	0.1%	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%	-2.1%	-0.1%	-0.3%	-0.3%
RoRE - Operational performance	%	10.2%	8.2%	9.5%	7.5%	8.4%	3.1%	-2.2%	-0.4%	5.3%	5.3%
Debt performance - at actual gearing	%	-2.8%	-1.1%	4.6%	0.9%	0.0%	-1.3%	6.9%	17.9%	3.8%	3.8%
Tax performance - at actual gearing	%	-0.3%	-0.8%	-0.6%	-1.4%	0.2%	0.9%	-0.4%	-1.5%	-0.6%	-0.6%
RoRE - including financing and tax	%	7.2%	6.3%	13.6%	7.0%	8.6%	2.8%	4.4%	16.0%	8.5%	8.5%

RoRE input values

Input values provided in £m 12/13 prices

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2023	R110-1 period
Equity Return on the RAV	£m 12/13	19.7	19.8	20.0	20.3	20.6	21.0	21.5	22.2	165.2	165.2
Totex outperformance	£m 12/13	10.5	3.9	7.8	3.1	2.6	(14.9)	(26.6)	(25.1)	(38.8)	(38.8)
IQI Reward	£m 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3	1.3
Broad measure of customer service	£m 12/13	1.4	1.4	1.5	1.6	1.9	2.0	1.7	1.6	13.0	13.0
Interruptions-related quality of service	£m 12/13	1.8	0.6	1.5	0.1	1.0	0.6	2.7	(0.4)	7.9	7.9
Incentive on connections engagement	£m 12/13	-	-	-	-	-	-	-	-	-	-
Time to Connect Incentive	£m 12/13	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	4.9	4.9
Losses discretionary reward scheme	£m 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
Network Innovation	£m 12/13	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.7)	(0.7)
Penalties and fines	£m 12/13	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)	(7.7)	(0.6)	(8.7)	(8.7)
RoRE - Operational performance	£m 12/13	34.1	26.7	31.6	25.8	26.7	9.2	(7.8)	(1.8)	144.6	144.6
Debt performance - at notional gearing	£m 12/13	(9.6)	(3.4)	15.4	3.1	0.5	(2.5)	25.1	85.3	114.0	114.0
Debt performance - impact of actual gearing	£m 12/13	0.2	(0.2)	(0.0)	0.1	(0.6)	(1.3)	(0.1)	(7.2)	(8.9)	(8.9)
Tax performance - at notional gearing	£m 12/13	(0.8)	(2.8)	(2.0)	(4.9)	0.7	2.7	(1.4)	(6.7)	(15.2)	(15.2)
Tax performance - impact of actual gearing	£m 12/13	(0.0)	(0.0)	-	0.0	-	0.0	(0.0)	-	(0.0)	(0.0)
RoRE - including financing and tax	£m 12/13	23.9	20.4	45.0	24.2	27.3	8.2	15.8	69.6	234.4	234.4
NPV-neutral equity element of RAV	£m 12/13	328.2	330.8	334.1	338.0	343.5	350.0	358.7	369.3		
Equity RAV based on actual gearing	£m 12/13	333.5	324.5	331.5	345.4	317.0	298.2	362.6	436.0		

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

Totex per the latest RRP submission

Totex

Latest Totex actuals/forecast	Em 12/13	142.7	160.6	152.1	164.2	170.1	188.5	216.2	209.5	1,403.9	1,403.9
Totex allowance including allowed adjustments and uncertainty mechanisms	Em 12/13	161.3	167.5	166.0	169.7	174.6	162.1	169.0	165.0	1,335.3	1,335.3
Totex out(under)performance	Em 12/13	18.6	6.9	13.9	5.5	4.5	(26.4)	(47.2)	(44.5)	(68.7)	(68.7)
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%		
Customer share of out(under) performance	Em 12/13	8.1	3.0	6.0	2.4	2.0	(11.5)	(20.5)	(19.4)	(29.9)	(29.9)
NWO share of performance	Em 12/13	10.5	3.9	7.8	3.1	2.6	(14.9)	(26.6)	(25.1)	(38.8)	(38.8)
Enduring Value adjustments to Totex performance											
a [Enduring Value adjustment]	Em 12/13										
b [Enduring Value adjustment]	Em 12/13										
c [Enduring Value adjustment]	Em 12/13										
d [Enduring Value adjustment]	Em 12/13										
e [Enduring Value adjustment]	Em 12/13										
f [Enduring Value adjustment]	Em 12/13										
Total enduring value adjustments	Em 12/13										
Enduring Value: Customer share of performance	Em 12/13										
Enduring Value: NWO share of performance	Em 12/13										
Total out(under) performance (including enduring value adjustments)											
Customer share of performance	Em 12/13	8.1	3.0	6.0	2.4	2.0	(11.5)	(20.5)	(19.4)	(29.9)	(29.9)
NWO share of performance	Em 12/13	10.5	3.9	7.8	3.1	2.6	(14.9)	(26.6)	(25.1)	(38.8)	(38.8)
Total	Em 12/13	18.6	6.9	13.9	5.5	4.5	(26.4)	(47.2)	(44.5)	(68.7)	(68.7)

n/a											
Latest Totex actuals/forecast	Em 12/13										
Totex allowance including allowed adjustments and uncertainty mechanisms	Em 12/13										
Totex out(under)performance	Em 12/13										
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%		
Customer share of out(under) performance	Em 12/13										
NWO share of performance	Em 12/13										
Enduring Value adjustments to Totex performance											
a [Enduring Value adjustment]	Em 12/13										
b [Enduring Value adjustment]	Em 12/13										
c [Enduring Value adjustment]	Em 12/13										
d [Enduring Value adjustment]	Em 12/13										
e [Enduring Value adjustment]	Em 12/13										
f [Enduring Value adjustment]	Em 12/13										
Total enduring value adjustments	Em 12/13										
Enduring Value: Customer share of performance	Em 12/13										
Enduring Value: NWO share of performance	Em 12/13										
Total out(under) performance (including enduring value adjustments)											
Customer share of performance	Em 12/13										
NWO share of performance	Em 12/13										
Total	Em 12/13										

Totex Summary

Total out(under) performance (including enduring value adjustments)											
Customer share of performance	Em 12/13	8.1	3.0	6.0	2.4	2.0	(11.5)	(20.5)	(19.4)	(29.9)	(29.9)
NWO share of performance	Em 12/13	10.5	3.9	7.8	3.1	2.6	(14.9)	(26.6)	(25.1)	(38.8)	(38.8)
Total	Em 12/13	18.6	6.9	13.9	5.5	4.5	(26.4)	(47.2)	(44.5)	(68.7)	(68.7)

IQI Additional Income

Additional Income is Pre-tax for Fast Track companies and Post-tax for Slow Track.											
IQI Additional Income per PCFM	Em 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3	1.3
Corporation tax rate when recognised in allowed revenue	%	n/a									
Post tax	Em 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3	1.3

Em Nominal

Financial Year Average RPI (RPII)	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.435		
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Totex

Latest Totex actuals/forecast	Em nominal	151.3	173.9	170.9	190.1	202.0	226.6	274.9	300.8	1,690.6	1,690.6
Totex allowance including forecast allowed adjustments and uncertainty mechanisms	Em nominal	171.0	181.4	186.5	196.5	207.4	194.9	214.9	236.9	1,589.6	1,589.6
Totex out(under)performance	Em nominal	19.7	7.5	15.6	6.4	5.4	(31.7)	(60.0)	(63.9)	(101.1)	(101.1)
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%		
Customer share of out(under) performance	Em nominal	8.6	3.3	6.8	2.8	2.3	(13.8)	(26.1)	(27.8)	(44.0)	(44.0)
NWO share of performance	Em nominal	11.1	4.2	8.8	3.6	3.0	(17.9)	(33.9)	(36.1)	(57.1)	(57.1)
Enduring Value adjustments to Totex performance											
a [Enduring Value adjustment]	Em nominal										
b [Enduring Value adjustment]	Em nominal										
c [Enduring Value adjustment]	Em nominal										
d [Enduring Value adjustment]	Em nominal										
e [Enduring Value adjustment]	Em nominal										
f [Enduring Value adjustment]	Em nominal										
Total enduring value adjustments	Em nominal										
Enduring Value: Customer share of performance	Em nominal										
Enduring Value: NWO share of performance	Em nominal										
Total out(under) performance (including enduring value adjustments)											
Customer share of performance	Em nominal	8.6	3.3	6.8	2.8	2.3	(13.8)	(26.1)	(27.8)	(44.0)	(44.0)
NWO share of performance	Em nominal	11.1	4.2	8.8	3.6	3.0	(17.9)	(33.9)	(36.1)	(57.1)	(57.1)
Total	Em nominal	19.7	7.5	15.6	6.4	5.4	(31.7)	(60.0)	(63.9)	(101.1)	(101.1)

n/a

n/a											
Latest Totex actuals/forecast	Em nominal										
Totex allowance including forecast allowed adjustments and uncertainty mechanisms	Em nominal										
Totex out(under)performance	Em nominal										
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%		
Customer share of out(under) performance	Em nominal										
NWO share of performance	Em nominal										
Enduring Value adjustments to Totex performance											
a [Enduring Value adjustment]	Em nominal										
b [Enduring Value adjustment]	Em nominal										
c [Enduring Value adjustment]	Em nominal										
d [Enduring Value adjustment]	Em nominal										
e [Enduring Value adjustment]	Em nominal										
f [Enduring Value adjustment]	Em nominal										
Total enduring value adjustments	Em nominal										
Enduring Value: Customer share of performance	Em nominal										
Enduring Value: NWO share of performance	Em nominal										
Total out(under) performance (including enduring value adjustments)											
Customer share of performance	Em nominal										
NWO share of performance	Em nominal										
Total	Em nominal										

Totex Summary

Total out(under) performance (including enduring value adjustments)											
Customer share of performance	Em nominal	8.6	3.3	6.8	2.8	2.3	(13.8)	(26.1)	(27.8)	(44.0)	(44.0)
NWO share of performance	Em nominal	11.1	4.2	8.8	3.6	3.0	(17.9)	(33.9)	(36.1)	(57.1)	(57.1)
Total	Em nominal	19.7	7.5	15.6	6.4	5.4	(31.7)	(60.0)	(63.9)	(101.1)	(101.1)

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

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 2023	RIIO-1 period
a Broad measure of customer service	Em 12/13	1.7	1.7	1.8	2.0	2.3	2.4	2.1	2.0	16.1	16.1
b Interruptions-related quality of service	Em 12/13	2.2	0.7	1.9	0.1	1.3	0.7	3.3	(0.5)	9.8	9.8
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	0.7	0.7	0.6	6.1	6.1
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	4.5	2.9	4.4	3.9	6.1	2.1	32.4	32.4

Additional Commentary

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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 2023	RIIO-1 period
a Broad measure of customer service	Em 12/13	1.4	1.4	1.5	1.6	1.9	2.0	1.7	1.6	13.0	13.0
b Interruptions-related quality of service	Em 12/13	1.8	0.6	1.5	0.1	1.0	0.6	2.7	(0.4)	7.9	7.9
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	4.9	4.9
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	3.5	3.2	5.0	1.7	26.3	26.3

a Broad measure of customer service	Em 12/13	1.7	1.7	1.8	2.0	2.3	2.4	2.1	2.0	16.1	16.1
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		1.4	1.4	1.5	1.6	1.9	2.0	1.7	1.6	13.0	13.0
b Interruptions-related quality of service	Em 12/13	2.2	0.7	1.9	0.1	1.3	0.7	3.3	(0.5)	9.8	9.8
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		1.8	0.6	1.5	0.1	1.0	0.6	2.7	(0.4)	7.9	7.9
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	t+3	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.6	6.1	6.1
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	4.9	4.9
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%		
Post tax		-	0.4	-	-	-	-	-	-	0.4	0.4
f Corporation tax rate when recognised in allowed revenue	Em 12/13	-	-	-	-	-	-	-	-	-	-
Post tax	t+1	20%	19%	19%	19%	19%	19%	19%	19%		
g Corporation tax rate when recognised in allowed revenue	Em 12/13	-	-	-	-	-	-	-	-	-	-
Post tax	t+1	20%	19%	19%	19%	19%	19%	19%	19%		

Impact on Allowed Revenue within RIIO-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

a Broad measure of customer service	Performance Year	Pre-RIIO	Pre-RIIO	2016	2017	2018	2019	2020	2021
Em nominal		0.6	1.0	1.8	1.8	2.1	2.3	2.7	2.9
b Interruptions-related quality of service	Performance Year	Pre-RIIO	Pre-RIIO	2016	2017	2018	2019	2020	2021
Em nominal		0.2	0.8	2.7	0.9	2.4	0.2	1.7	1.0
c Incentive on connections engagement	Performance Year	Pre-RIIO	Pre-RIIO	Pre-RIIO	2016	2017	2018	2019	2020
Em nominal		-	-	-	-	-	-	-	-
d Time to Connect Incentive	Performance Year	Pre-RIIO	Pre-RIIO	2016	2017	2018	2019	2020	2021
Em nominal		-	-	0.8	0.9	0.9	0.9	1.0	0.9
e Losses discretionary reward scheme	Performance Year	Pre-RIIO	2016	2017	2018	2019	2020	2021	2022
Em nominal		-	-	0.5	-	-	-	-	-
f	Performance Year	Pre-RIIO	2016	2017	2018	2019	2020	2021	2022
Em nominal		-	-	-	-	-	-	-	-
g	Performance Year	Pre-RIIO	2016	2017	2018	2019	2020	2021	2022
Em nominal		-	-	-	-	-	-	-	-
Total Impact on Allowed Revenue	Em nominal	0.8	1.9	5.9	3.6	5.4	3.4	5.3	4.8

Additional Commentary

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	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 2022	Actuals 2023	Cumulative to 2023	R110-1 period
Net Interest Per Statutory Accounts										
Em nominal	31.4	33.7	28.1	34.3	35.5	28.2	36.8	35.5		
Reconciliation with Statutory Accounts										
Interest not qualifying for corporation tax relief	-	-	-	-	-	-	-	-		
Fair value adjustments (e.g. losses on derivatives)	-	-	-	-	-	-	-	-		
Dividends on preference shares	-	-	-	-	-	-	-	-		
Costs of early redemption on long term debt	-	-	-	-	-	-	-	-		
Swap Termination Costs paid	-	-	-	-	-	-	-	-		
Movements relating to pension fund liabilities reported within net interest	-	-	-	-	-	-	-	-		
Debt issuance expenses (inc. amortisation to discounts that had previously benefitted from a tax deduction)	-	-	-	-	-	-	-	-		
Commitment fees for undrawn liquidity backup lines	-	-	-	-	-	-	-	-		
1. Add back capitalised interest	0.4	0.4	-	-	-	-	-	-		
2. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
3. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
4. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
5. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
6. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
7. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
8. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
9. Other adjustment (Overwrite)	-	-	-	-	-	-	-	-		
Net Interest Per Regulatory (R110-1) Definition										
Forecast new financing/refinancing Net Interest costs	31.7	34.0	28.1	34.3	35.5	28.2	36.8	35.5		
Net Interest including forecast new financing/refinancing costs										
Em nominal	31.7	34.0	28.1	34.3	35.5	28.2	36.8	35.5		
External Net Interest	3.1	3.2	(9.0)	2.8	6.1	(0.3)	0.4	(2.2)		
Intra-company Net Interest	28.6	30.8	37.0	31.5	29.4	28.4	36.5	37.7		
	OK									
Memo: Net interest (R110-1) Definition that relates to non-cash principal inflation accretion on bonds and loans										
Em nominal	1.6	3.7	5.0	3.6	3.7	1.9	11.4	21.6		
Less inflation in interest charge										
Em nominal	7.0	14.7	26.6	22.3	20.7	10.5	49.9	115.6		
Assumed Regulatory finance cost at actual gearing										
Em nominal	24.7	19.4	1.4	12.0	14.8	17.7	(13.1)	(80.1)		
Financial Year Average RPI (RPIt)										
Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.435		
Assumed regulatory finance cost at actual gearing										
Em 12/13	23.3	17.9	1.3	10.4	12.5	14.7	(10.3)	(55.8)	14.0	14.0
Adjustments to be applied to Assumed Finance cost for performance assessment										
Add back Debt Issuance expenses	-	-	-	-	-	-	-	-		
New/refinanced debt issuance expenses	-	-	-	-	-	-	-	-		
Costs of early redemption on long term debt (excluding exceptional costs of buy backs associated with M&A activity)	-	-	-	-	-	-	-	-		
Add accrual for inflation accretion on index-linked swaps (if applicable)	-	-	-	-	-	-	-	-		
Other Adjustments (please specify)	-	-	-	-	-	-	-	-		
Other Adjustments (please specify)	-	-	-	-	-	-	-	-		
Other Adjustments (please specify)	-	-	-	-	-	-	-	-		
Other Adjustments (please specify)	-	-	-	-	-	-	-	-		
Total Adjustments to be applied for performance assessment (at actual gearing)										
Em nominal	-	-	-	-	-	-	-	-		
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	64.4%	65.7%	65.3%	64.2%	67.7%	70.2%	64.6%	58.7%		
Assumed regulatory finance cost at actual gearing	24.7	19.4	1.4	12.0	14.8	17.7	(13.1)	(80.1)		
Adjustment to regulatory finance cost relating to variance from notional gearing	0.2	(0.2)	(0.0)	0.1	(0.6)	(1.3)	(0.1)	(8.6)		
Assumed regulatory finance cost at notional gearing	24.9	19.2	1.4	12.2	14.2	16.4	(13.1)	(88.7)		
Assumed regulatory finance cost at notional gearing										
Em 12/13	23.5	17.7	1.3	10.5	12.0	13.6	(10.3)	(61.8)	6.5	6.5
Adjustments to be applied for performance assessment (at notional gearing)	-	-	-	-	-	-	-	-		
Em 12/13	-	-	-	-	-	-	-	-		
Cost of Debt Allowance										
The latest published PCFM contains the allowed cost of debt rate (%) for the reporting year. However, the RAV 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 79 (linked to R9-RAV table) - which will be trued-up over time.										
Cost of Debt Allowance as per latest published PCFM (prior year AIP)	15.5	14.9	14.2	13.1	12.4	11.6	10.8	9.9		
Forecast revised Cost of Debt Allowance	15.5	14.9	14.2	13.1	12.4	11.6	10.8	9.9	102.4	102.4
Out(under) performance										
Pre-Tax performance										
Pre-Tax Cost of Debt out(under)performance at actual gearing	(7.8)	(3.0)	12.9	2.7	(0.1)	(3.2)	21.1	65.7	88.4	88.4
Pre-Tax Cost of Debt out(under)performance at notional gearing	(8.0)	(2.8)	12.9	2.6	0.4	(2.1)	21.1	71.7	95.9	95.9
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of gearing	0.2	(0.2)	(0.0)	0.1	(0.5)	(1.1)	(0.1)	(6.0)	(7.5)	(7.5)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 2022	Actuals 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)	130.4	132.7	137.7	142.4	151.9	153.8	160.0	178.7
Loans from other group companies (+ve)	300.0	300.0	300.0	300.0	550.0	650.0	650.0	650.0
Loans to other group companies (-ve)	-	-	-	-	-	-	-	-
Other amounts due to/(from) group companies per Balance Sheet	235.3	273.4	278.9	299.8	155.6	63.4	50.9	106.7
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	857.5	867.1	860.9	935.3
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	665.6	706.1	716.6	742.2	857.5	867.1	860.9	935.3
Forecast new debt/refinancing	-	-	-	-	-	-	-	-
Regulatory Net Debt including forecast new debt/refinancing	665.6	706.1	716.6	742.2	857.5	867.1	860.9	935.3
	OK							
Opening Regulatory Net Debt including forecast new debt/refinancing	639.4	665.6	706.1	716.6	742.2	857.5	867.1	860.9
Closing Regulatory Net Debt including forecast new debt/refinancing	665.6	706.1	716.6	742.2	857.5	867.1	860.9	935.3
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)								
Equity RAV	360.1	358.7	378.5	406.1	381.5	366.4	473.1	632.4
Average RAV	1,012.6	1,044.6	1,089.8	1,135.5	1,181.4	1,228.7	1,337.1	1,530.6
Actual Regulatory Gearing	64.4%	65.7%	65.3%	64.2%	67.7%	70.2%	64.6%	58.7%
Notional Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	-0.6%	0.7%	0.3%	-0.8%	2.7%	5.2%	-0.4%	-6.3%
NPV Neutral assumed Average Net Debt								
NPV Neutral assumed Equity RAV	604.3	620.5	623.1	620.3	664.6	701.8	662.3	619.1
NPV Neutral assumed Average RAV	937.8	945.1	954.5	965.7	981.6	1,000.1	1,024.9	1,055.1
Actual Regulatory Gearing	64.4%	65.7%	65.3%	64.2%	67.7%	70.2%	64.6%	58.7%
Notional Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	-0.6%	0.7%	0.3%	-0.8%	2.7%	5.2%	-0.4%	-6.3%

Actuals	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	957.0	967.4	975.5	989.0	1,006.9	1,025.6	1,056.6	1,082.7
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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	957.0	967.4	975.5	989.0	1,006.9	1,025.6	1,056.6
Transfers	Em 12/13	-	-	-	-	-	-	-	-
Opening RAV (after transfers)	Em 12/13	953.2	957.0	967.4	975.5	989.0	1,006.9	1,025.6	1,056.6
Net additions (after disposals)	Em 12/13	95.0	102.0	99.2	103.7	106.9	107.4	119.0	116.8
Net additions (after disposals) - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
Total Net Additions	Em 12/13	95.0	102.0	99.2	103.7	106.9	107.4	119.0	116.8
Depreciation	Em 12/13	(91.1)	(91.6)	(91.0)	(90.3)	(88.9)	(88.8)	(88.0)	(87.8)
Depreciation - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
Total Depreciation	Em 12/13	(91.1)	(91.6)	(91.0)	(90.3)	(88.9)	(88.8)	(88.0)	(87.8)
[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	957.0	967.4	975.5	989.0	1,006.9	1,025.6	1,056.6	1,085.6

Total enduring value and other adjustments

CHECK	Em 12/13	-	-	-	-	-	-	-	-
		TRUE	NA						

Year end RPI

Financial Year Average RPI (RPIT)	Index	1.068	1.103	1.140	1.172	1.196	1.222	1.345	1.511
Index for Opening RAV conversion to nominal in yr 1	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.435
	Index	1.053							

Adjusted Closing RAV

Em nominal	1,021.8	1,067.3	1,112.4	1,158.6	1,204.1	1,253.3	1,420.9	1,640.2	
Cost of debt	2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.62%	1.44%	
Cost of equity	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	3.76%	3.67%	3.59%	3.46%	3.36%	3.26%	3.15%	3.04%	
NPV-neutral debt element of RAV	Em 12/13	609.5	614.3	620.4	627.7	638.0	650.0	666.2	685.8
NPV-neutral equity element of RAV	Em 12/13	328.2	330.8	334.1	338.0	343.5	350.0	358.7	369.3
NPV-neutral RAV return base	Em 12/13	937.8	945.1	954.5	965.7	981.6	1,000.1	1,024.9	1,055.1
Debt Return on RAV	Em 12/13	15.5	14.9	14.2	13.1	12.4	11.6	10.8	9.9
Equity Return on RAV	Em 12/13	19.7	19.8	20.0	20.3	20.6	21.0	21.5	22.2
Total return on RAV	Em 12/13	35.2	34.7	34.3	33.4	33.0	32.6	32.3	32.0
NPV-neutral debt element of RAV	Em nominal	646.3	665.3	697.1	726.8	757.9	781.5	847.2	984.4
NPV-neutral equity element of RAV	Em nominal	348.0	358.2	375.4	391.4	408.1	420.8	456.2	530.1
Adjusted NPV-neutral average RAV	Em nominal	994.3	1,023.5	1,072.5	1,118.2	1,166.0	1,202.3	1,303.4	1,514.5
Debt Return on RAV	Em nominal	16.5	16.1	16.0	15.2	14.7	13.9	13.7	14.2
Equity Return on NPV-neutral RAV	Em nominal	20.9	21.5	22.5	23.5	24.5	25.2	27.4	31.8
Total return on RAV	Em nominal	37.4	37.6	38.5	38.7	39.2	39.2	41.1	46.0

Actuals	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 / trued-up in future years

Tax liability per latest submitted CT600 (pre-group relief)	Em nominal	13.0	15.9	16.0	16.1	13.8	12.3	6.3
Adjustments to remove non-regulated tax liability								
Tax on non-regulated activities	Em nominal	0.2	0.4	0.5	(2.0)	(1.6)	(1.4)	
Ecluded services	Em nominal							(1.6)
Metering	Em nominal							0.2
Metering	Em nominal							(0.8)
NINES	Em nominal							(0.1)
Non-regulated tax	Em nominal	0.2	0.4	0.5	(2.0)	(1.6)	(1.4)	(2.3)
Other adjustments								
Tax on output incentives	Em nominal	0.2	0.4	1.1	0.7	1.0	0.6	1.0
Tax on IOI	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	(0.2)	(0.3)	2.1	(0.1)	(0.6)	0.6	0.5
Tax arising from MOD values	Em nominal							
[Insert adjustment as necessary]	Em nominal	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
[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	(0.2)	(0.0)	3.1	0.4	0.3	1.2	1.4
Forecast regulated tax liability (including impact of enduring value adjustments)	Em nominal	13.0	15.5	12.5	17.7	15.0	12.6	7.2
Adjusted forecast regulated tax liability with timing differences	Em nominal	13.0	15.5	12.5	17.7	15.0	12.6	7.2
Financial year average RPI	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272
Adjusted/forecast regulated tax liability with timing differences	Em 12/13	12.3	14.3	11.1	15.3	12.7	10.5	5.6
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%
Actual Gearing	%	64.4%	65.7%	65.3%	64.2%	67.7%	70.2%	64.6%
Adjusted/forecast regulated tax liability with timing differences	Em nominal	13.0	15.5	12.5	17.7	15.0	12.6	7.2
Adjustment to regulatory tax cost relating to variance from notional gearing	Em nominal	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.2)	(0.0)
Revised regulated tax liability for comparison against allowance	Em nominal	13.1	15.5	12.5	17.7	14.9	12.4	7.2
Revised regulated tax liability for comparison against allowance	Em 12/13	12.3	14.3	11.1	15.3	12.6	10.3	5.6

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	9.9	11.0	11.6	10.9	13.3	12.6	8.2
Tax clawbacks	Em 12/13	-	-	-	-	-	-	(0.0)
Net Tax Allowance	Em 12/13	9.9	11.0	11.6	10.9	13.3	12.6	8.2
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	9.9	11.0	11.6	10.9	13.3	12.6	8.2
Forecast tax clawbacks	Em 12/13	-	-	-	-	-	-	(0.0)
Net forecast tax allowance	Em 12/13	9.9	11.0	11.6	10.9	13.3	12.6	8.2
Reconciliation of forecast movement in allowance								
Changes in corporation tax rates	Em 12/13	-	-	-	-	-	-	4.6
Tax allowance retained within deadband	Em 12/13							
Other adjustments	Em 12/13							4.6
Check	Em 12/13	OK	OK	OK	OK	OK	OK	OK

Out(under) performance

Regulated tax out(under) performance at actual gearing	Em 12/13	(2.4)	(3.4)	0.5	(4.4)	0.7	2.1	2.6
Regulated tax out(under) performance at notional gearing	Em 12/13	(2.4)	(3.3)	0.5	(4.4)	0.8	2.3	2.6
Impact on out(under) performance relating to deviating from notional levels of gearing	Em 12/13	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.2)	(0.0)
Tax impact of financing performance (at actual gearing)	Em nominal	(1.6)	(0.7)	2.8	0.6	(0.0)	(0.7)	5.1
Tax impact of financing performance (at actual gearing)	Em 12/13	(1.6)	(0.6)	2.5	0.5	(0.0)	(0.6)	4.0
Tax impact of financing performance (at notional gearing)	Em nominal	(1.7)	(0.6)	2.8	0.6	0.1	(0.5)	5.1
Tax impact of financing performance (at notional gearing)	Em 12/13	(1.6)	(0.6)	2.5	0.5	0.1	(0.4)	4.0
Tax impact of financing performance relating to deviating from notional levels of gearing	Em 12/13	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.2)	(0.0)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 2022	Actuals 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	-	-	(2.7)
Less Pension Payment History Allowance (PPH)	12.9	12.9	12.9	12.9	0.7	-	-	-
Established deficit allowance less PPH	-	-	-	-	-	-	-	(2.7)
Latest pension scheme valuation	Enter valuation date 31/03/2019							
Price base	2018/19							
	£m							
Total Liabilities attributable to post cut-off date notional sub fund	251.6							
Total Liabilities attributable to pre cut-off date notional sub fund	1,650.3							
Total Assets attributable to post cut-off date notional sub fund	190.2							
Total Assets attributable to pre cut-off date notional sub fund	1,931.2							
Deficit in the post Cut-Off Date Notional Sub-Fund	61.4							
Deficit in the pre Cut-Off Date Notional Sub-Fund	(280.9)							
Licensee element of established deficit	20.5							
Licensee element of incremental deficit	(160.1)							

		Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 2022	Actuals 2023
Post-tax total fines and penalties (including GS payments)	£m 12/13	0.0	0.1	0.1	0.0	0.1	0.1	7.7	0.6
Ofgem related fines and penalties									
[Insert detail of fine or penalty]	£m nominal								
[Insert detail of fine or penalty]	£m nominal								
[Insert new rows here as necessary]	£m nominal								
Total Ofgem related fines and penalties	£m nominal	-	-	-	-	-	-	-	-
Any adjustment for tax	£m nominal								
Post-tax total fines and penalties	£m nominal	-	-	-	-	-	-	-	-
Guaranteed Standard (GS) payments									
Total GS payments	£m nominal	0.0	0.1	0.1	0.1	0.1	0.1	9.8	0.8
Any adjustment for tax	£m nominal								
Post-tax total GS payments	£m nominal	0.0	0.1	0.1	0.1	0.1	0.1	9.8	0.8