

Licensee	SSES
Sector	ED1
Reporting Year: (enter 2014 for 2013-14)	2021
Version (Number)	
Submitted Date:	30/07/2021
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

ED
Output incentives for each sector used to populate RT

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
ESD 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

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
SSES
2021

Version:

Submission	Date submitted	Changes
Submission 1	30/07/2021	
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
2021

Navigate

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

RoRE based on Notional Gearing

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2021	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	%	3.5%	2.4%	-1.3%	0.6%	-4.1%	-2.7%	-1.9%	-2.0%	-0.3%	-0.7%
IQI Reward	%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Broad measure of customer service	%	0.1%	0.2%	0.2%	0.2%	0.4%	0.2%	0.3%	0.3%	0.2%	0.2%
Interruptions-related quality of service	%	1.8%	1.4%	0.5%	0.2%	0.6%	0.6%	0.3%	0.3%	0.8%	0.7%
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%	0.1%	0.1%	0.1%	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%	-0.1%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	11.5%	10.2%	5.5%	7.5%	3.1%	4.2%	4.8%	4.6%	6.9%	6.4%
Debt performance - at notional gearing	%	-2.4%	0.3%	3.3%	1.7%	1.3%	-2.0%	0.3%	-0.3%	0.4%	0.3%
Tax performance - at notional gearing	%	-0.6%	-1.1%	0.1%	0.1%	0.1%	1.5%	0.9%	0.6%	0.0%	0.2%
RoRE - including financing and tax	%	8.5%	9.3%	8.9%	9.3%	4.4%	3.7%	6.1%	4.9%	7.3%	6.8%

RoRE based on Actual Gearing

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2021	R110-1 period
Allowed Equity Return	%	5.8%	6.2%	6.4%	7.0%	8.0%	8.6%	8.0%	6.0%	6.9%	6.9%
Totex outperformance	%	3.4%	2.5%	-1.4%	0.7%	-5.4%	-4.0%	-2.5%	-2.0%	-0.4%	-0.8%
IQI 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%	0.5%	0.3%	0.4%	0.3%	0.3%	0.3%
Interruptions-related quality of service	%	1.7%	1.4%	0.5%	0.3%	0.8%	0.9%	0.5%	0.3%	1.0%	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%	0.1%	0.1%	0.1%	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%	-0.1%	-0.1%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	11.2%	10.5%	5.9%	8.7%	4.0%	6.0%	6.4%	4.6%	8.0%	7.3%
Debt performance - at actual gearing	%	-2.2%	0.2%	3.4%	1.8%	1.1%	-4.3%	-0.2%	-0.3%	0.1%	0.0%
Tax performance - at actual gearing	%	-0.6%	-1.2%	0.1%	0.1%	0.2%	2.2%	1.2%	0.6%	0.0%	0.3%
RoRE - including financing and tax	%	8.4%	9.5%	9.4%	10.6%	5.4%	3.9%	7.5%	4.9%	8.1%	7.5%

RoRE input values

Input values provided in £m 12/13 prices

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2021	R110-1 period
Equity Return on the RAV	£m 12/13	41.6	41.8	42.3	42.8	43.3	43.7	44.3	45.2	255.4	345.0
Totex outperformance	£m 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(20.0)	(14.1)	(15.1)	(13.1)	(42.3)
IQI Reward	£m 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	2.1	2.7
Broad measure of customer service	£m 12/13	0.8	1.3	1.3	1.6	2.7	1.7	2.2	2.2	9.5	13.8
Interruptions-related quality of service	£m 12/13	12.2	9.8	3.4	1.6	4.3	4.5	2.5	1.9	35.8	40.2
Incentive on connections engagement	£m 12/13	-	-	-	-	-	-	-	-	-	-
Time to Connect Incentive	£m 12/13	1.1	0.6	0.6	1.3	1.2	0.6	0.6	0.6	5.5	6.8
Losses discretionary reward scheme	£m 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
Network Innovation	£m 12/13	(0.2)	(0.2)	0.3	1.9	(0.1)	(0.1)	(0.1)	(0.1)	1.6	1.3
Penalties and fines	£m 12/13	(0.0)	(0.1)	(0.3)	(0.5)	(0.5)	(0.4)	(0.3)	(0.3)	(1.8)	(2.3)
RoRE - Operational performance	£m 12/13	79.9	70.9	39.0	53.4	22.0	30.2	35.5	34.8	295.4	365.7
Debt performance - at notional gearing	£m 12/13	(16.6)	2.1	23.0	12.4	9.1	(14.4)	2.3	(2.4)	15.5	15.5
Debt performance - impact of actual gearing	£m 12/13	0.9	(0.5)	(0.4)	(1.6)	(2.9)	(7.1)	(3.2)	(0.0)	(11.6)	(14.8)
Tax performance - at notional gearing	£m 12/13	(4.0)	(7.9)	0.8	0.4	0.9	11.0	6.9	4.6	1.2	12.7
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	60.2	64.5	62.3	64.6	29.2	19.7	41.5	37.0	300.5	379.0
NPV-neutral equity element of RAV	£m 12/13	693.4	697.2	704.3	713.1	721.1	728.0	738.9	754.0		
Equity RAV based on actual gearing	£m 12/13	714.6	677.5	660.6	612.0	544.1	505.7	554.5	753.4		

		Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	N/A 2022	N/A 2023
Total Expenditure Per Accounts									
Tangible Fixed Asset Additions	Em nominal	235.3	251.5	276.7	301.1	314.1	273.2	-	-
Intangible Asset Additions (under IFRS) - IT Software	Em nominal	12.6	12.2	11.2	12.9	14.4	7.0	-	-
Disposals (cash proceeds)	Em nominal	(0.8)	(0.6)	-	-	-	-	-	-
[If Statutory Accounts treat this as an exceptional item, leave the input blank]									
Customer Contributions Additions	Em nominal	(47.3)	(50.6)	-	-	-	-	-	-
Capitalised interest	Em nominal	(0.4)	(0.4)	-	-	-	-	-	-
Revaluation of tangible fixed assets	Em nominal	-	-	-	-	-	-	-	-
1 [Input description]	Em nominal								
2 [Input description]	Em nominal								
3 [Input description]	Em nominal								
Capex Incurred									
Operational Costs Incurred	Em nominal	199.4	212.2	287.9	314.0	328.5	280.2	-	-
1 [Input description]	Em nominal	382.4	408.5	427.4	364.2	382.3	406.8	-	-
2 [Input description]	Em nominal								
3 [Input description]	Em nominal								
Total Expenditure Incurred	Em nominal	581.8	620.7	715.3	678.2	710.8	687.0	-	-
Reconciling Items to Total Net costs after non-price control allocations									
1 DNO Own Depreciation	Em nominal	(154.5)	(163.1)	(150.4)	(95.0)	(103.2)	(107.8)	-	-
2 Amortisation	Em nominal	(0.3)	(2.8)	(3.2)	(3.7)	(4.6)	(6.1)	-	-
3 Impairment	Em nominal	-	-	(2.8)	-	-	-	-	-
4 Capital contributions amortisation	Em nominal	9.9	10.0	10.1	9.4	8.1	10.7	-	-
5 SSE Services Transport Depreciation	Em nominal	(1.8)	(1.0)	(0.6)	(0.6)	(0.5)	(0.6)	-	-
6 SSE Services IT Depreciation	Em nominal	(2.4)	(1.4)	(2.2)	(2.3)	(3.4)	(2.1)	-	-
7 SSE Services Property Depreciation	Em nominal	(1.0)	(1.1)	(1.2)	(1.9)	(1.7)	(1.7)	-	-
8 SSE Services Property Non-Op Capex	Em nominal	3.1	1.3	1.2	1.4	0.6	0.6	-	-
9 SSE Services Transport Non-Op Capex	Em nominal	1.4	(0.0)	0.5	0.3	0.4	0.5	-	-
10 Pension Services Adjustment (Non - Cash)	Em nominal	(3.2)	(1.4)	(4.3)	(1.2)	(4.7)	(3.1)	-	-
11 Grants and P&L on disposal	Em nominal	-	-	0.6	(0.2)	(0.0)	(1.1)	-	-
12 Revenue Items	Em nominal	-	-	(61.7)	(79.9)	(88.7)	(51.8)	-	-
13 IFRIC 18 for connections	Em nominal	-	-	46.6	-	-	-	-	-
14 Connections Assets Under Construction WIP reclassification	Em nominal	-	-	(42.4)	(73.0)	(62.2)	(42.1)	-	-
15 Cable damage cost recoveries	Em nominal	(1.5)	(1.9)	-	-	-	-	-	-
16 IFRIC 18 for customer contribution additions	Em nominal	-	(11.8)	-	-	-	-	-	-
17 Other Operating Income	Em nominal	-	0.3	-	-	-	-	-	-
18 Connections IFRS 15 Adj	Em nominal				73.7	82.2	44.9	-	-
19 IFRS 16 Adj	Em nominal					0.1		-	-
20 Supplier of last resort	Em nominal					(0.7)	(1.5)	-	-
21	Em nominal							-	-
Total Reconciling Items	Em nominal	(150.3)	(172.9)	(209.8)	(173.0)	(178.2)	(161.3)	-	-
Total Net costs after non-price control allocations									
Total Costs per latest RRP submission	Em nominal	431.5	447.8	505.5	505.2	532.6	525.7	-	-
	Em nominal	431.4	448.1	505.3	504.9	532.5	525.9	-	-
	check	OK	OK	OK	OK	OK	OK	N/A	N/A
Reconciling Items to Totex									
1 Network Innovation Allowance (NIA)	Em nominal	2.3	2.0	1.3	1.6	1.4	2.0	-	-
2 Network Innovation Competition (NIC)	Em nominal	-	-	0.0	2.5	2.6	1.6	-	-
3 IFI & Low Carbon Network Fund	Em nominal	6.9	4.5	2.4	-	-	-	-	-
4 Directly remunerated services	Em nominal	15.1	12.9	15.4	19.6	19.2	13.3	-	-
5 De Minimis	Em nominal	0.9	5.7	5.3	6.8	4.2	5.4	-	-
6 Connection costs outside of the price control	Em nominal	3.8	4.9	1.3	5.9	1.7	5.3	-	-
7 Out of Area Networks	Em nominal	23.6	13.5	27.2	27.2	26.6	26.0	-	-
8 Atypicals Non Sev Weather (Non Price Control)	Em nominal	-	1.3	-	-	-	-	-	-
9 Pass through	Em nominal	66.6	65.3	62.5	63.2	63.3	70.7	-	-
10 Other Non Activity Based Costs	Em nominal	28.5	26.5	27.1	28.1	23.9	19.1	-	-
11 Sale proceeds from scrap	Em nominal	0.8	0.6	1.0	1.3	0.9	1.2	-	-
12 Related Party Margin	Em nominal	2.3	2.7	2.2	1.8	1.0	0.5	-	-
13 Other	Em nominal		(0.2)		0.4	0.2	(0.1)	-	-
14 [Input description]	Em nominal							-	-
15 [Input description]	Em nominal							-	-
16 [Input description]	Em nominal							-	-
17 [Input description]	Em nominal							-	-
18 [Input description]	Em nominal							-	-
19 [Input description]	Em nominal							-	-
20 [Input description]	Em nominal							-	-
21 [Input description]	Em nominal							-	-
22 [Input description]	Em nominal							-	-
23 [Input description]	Em nominal							-	-
24 [Input description]	Em nominal							-	-
25 [Input description]	Em nominal							-	-
Total reconciling items not recognised in totex	Em nominal	150.6	139.6	145.9	158.5	145.0	145.0	-	-
PCFM Totex (excluding enduring value)									
RRP reported totex	Em nominal	280.9	308.2	359.6	346.7	387.6	380.7	-	-
	Em nominal	280.8	308.2	359.7	346.8	387.6	380.7	381.1	386.0
	check	OK	OK	OK	OK	OK	OK	N/A	N/A

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

Totex per the latest RRP submission

Totex

Latest Totex actuals/forecast	Em 12/13	264.8	284.6	320.1	299.5	326.3	316.7	308.8	303.4	1,812.0	2,424.2
Totex allowance	Em 12/13	307.5	314.3	304.1	307.0	274.6	281.3	283.8	276.6	1,788.9	2,349.3
Including allowed adjustments and uncertainty mechanisms											
Totex out(under)performance	Em 12/13	42.7	29.8	(16.0)	7.5	(51.7)	(35.4)	(25.0)	(26.8)	(23.1)	(74.9)
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	18.6	13.0	(7.0)	3.3	(22.5)	(15.4)	(10.9)	(11.7)	(10.1)	(32.6)
NWO share of performance	Em 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(20.0)	(14.1)	(15.1)	(13.1)	(42.3)
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	18.6	13.0	(7.0)	3.3	(22.5)	(15.4)	(10.9)	(11.7)	(10.1)	(32.6)
NWO share of performance	Em 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(20.0)	(14.1)	(15.1)	(13.1)	(42.3)
Total	Em 12/13	42.7	29.8	(16.0)	7.5	(51.7)	(35.4)	(25.0)	(26.8)	(23.1)	(74.9)

n/a	Em 12/13										
Latest Totex actuals/forecast	Em 12/13										
Totex allowance	Em 12/13										
Including allowed adjustments and uncertainty mechanisms											
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	18.6	13.0	(7.0)	3.3	(22.5)	(15.4)	(10.9)	(11.7)	(10.1)	(32.6)
NWO share of performance	Em 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(20.0)	(14.1)	(15.1)	(13.1)	(42.3)
Total	Em 12/13	42.7	29.8	(16.0)	7.5	(51.7)	(35.4)	(25.0)	(26.8)	(23.1)	(74.9)

IOI Additional Income

Additional Income is Pre-tax for Fast Track companies and Post-tax for Slow Track.

IOI Additional Income per PCFM	Em 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	2.1	2.7
Corporation tax rate when recognised in allowed revenue	%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Post tax	Em 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	2.1	2.7

Em Nominal

Financial Year Average RPI (RPI1)	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.234	1.272		
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Totex

Latest Totex actuals/forecast	Em nominal	280.8	308.2	359.7	346.8	387.6	380.7	381.1	386.0	2,063.8	2,830.9
Totex allowance	Em nominal	326.1	340.4	341.7	355.5	326.2	338.2	350.3	351.9	2,028.1	2,730.3
Including forecast allowed adjustments and uncertainty mechanisms											
Totex out(under)performance	Em nominal	45.3	32.3	(18.0)	8.7	(61.5)	(42.5)	(30.8)	(34.1)	(35.7)	(100.7)
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 nominal	19.7	14.0	(7.8)	3.8	(26.8)	(18.5)	(13.4)	(14.8)	(15.6)	(43.8)
NWO share of performance	Em nominal	25.6	18.2	(10.2)	4.9	(34.7)	(24.0)	(17.4)	(19.3)	(20.2)	(56.8)
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	19.7	14.0	(7.8)	3.8	(26.8)	(18.5)	(13.4)	(14.8)	(15.6)	(43.8)
NWO share of performance	Em nominal	25.6	18.2	(10.2)	4.9	(34.7)	(24.0)	(17.4)	(19.3)	(20.2)	(56.8)
Total	Em nominal	45.3	32.3	(18.0)	8.7	(61.5)	(42.5)	(30.8)	(34.1)	(35.7)	(100.7)

n/a	Em nominal										
Latest Totex actuals/forecast	Em nominal										
Totex allowance	Em nominal										
Including forecast allowed adjustments and uncertainty mechanisms											
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	19.7	14.0	(7.8)	3.8	(26.8)	(18.5)	(13.4)	(14.8)	(15.6)	(43.8)
NWO share of performance	Em nominal	25.6	18.2	(10.2)	4.9	(34.7)	(24.0)	(17.4)	(19.3)	(20.2)	(56.8)
Total	Em nominal	45.3	32.3	(18.0)	8.7	(61.5)	(42.5)	(30.8)	(34.1)	(35.7)	(100.7)

Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast		
2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2021	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 2021	RIIO-1 period
a Broad measure of customer service	Em 12/13	0.9	1.6	1.6	2.0	3.4	2.1	2.7	2.7	11.7	17.1
b Interruptions-related quality of service	Em 12/13	15.1	12.1	4.2	2.0	5.3	5.5	3.1	2.4	44.2	49.7
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	1.4	0.8	0.8	1.6	1.5	0.8	0.8	0.8	6.8	8.4
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	17.4	15.0	6.6	5.6	10.2	8.4	6.6	5.9	63.1	75.6

Additional Commentary

a	
b	
c	
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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 2021	RIIO-1 period
a Broad measure of customer service	Em 12/13	0.8	1.3	1.3	1.6	2.7	1.7	2.2	2.2	9.5	13.8
b Interruptions-related quality of service	Em 12/13	12.2	9.8	3.4	1.6	4.3	4.5	2.5	1.9	35.8	40.2
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	1.1	0.6	0.6	1.3	1.2	0.6	0.6	0.6	5.5	6.8
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	14.1	12.1	5.4	4.5	8.2	6.8	5.4	4.8	51.1	61.3

a Broad measure of customer service	Em 12/13	0.9	1.6	1.6	2.0	3.4	2.1	2.7	2.7	11.7	17.1
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		0.8	1.3	1.3	1.6	2.7	1.7	2.2	2.2	9.5	13.8
b Interruptions-related quality of service	Em 12/13	15.1	12.1	4.2	2.0	5.3	5.5	3.1	2.4	44.2	49.7
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		12.2	9.8	3.4	1.6	4.3	4.5	2.5	1.9	35.8	40.2
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	1.4	0.8	0.8	1.6	1.5	0.8	0.8	0.8	6.8	8.4
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%		
Post tax		1.1	0.6	0.6	1.3	1.2	0.6	0.6	0.6	5.5	6.8
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		(2.2)	(2.7)	1.0	1.8	1.7	2.3	4.0	2.5
b Interruptions-related quality of service	Performance Year	Pre-RIIO	Pre-RIIO	2016	2017	2018	2019	2020	2021
Em nominal		0.3	7.2	18.2	15.0	5.4	2.6	7.0	6.9
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		-	-	1.5	0.9	0.9	1.8	1.8	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	(1.9)	4.5	21.1	17.7	8.1	6.8	12.8	10.3

Additional Commentary

a	
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	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Forecast 2022	Forecast 2023
Network Innovation Allowance								
Eligible NIA expenditure and Bid Preparation costs	Em nominal	2.0	1.8	1.2	1.5	1.3	1.8	1.6
Unrecoverable Expenditure (eg not conforming to technical requirements)	Em nominal	-	-	-	-	-	-	-
Company Compulsory Contribution (including % contribution funded by licensee)	Em nominal	0.2	0.2	0.1	0.1	0.1	0.2	0.2
Allowed NIA adjustment	Em nominal	1.8	1.6	1.1	1.3	1.2	1.6	1.4
Low Carbon Networks Fund								
Second Tier and Discretionary (as per latest Revenue RRP)	Em nominal	2.1	0.1	0.3	0.9	0.1	(0.3)	0.5
First Tier Funding Mechanism (as per latest Revenue RRP)	Em nominal	-	-	-	-	-	-	-
Low Carbon Networks Fund revenue adjustment	Em nominal	2.1	0.1	0.3	0.9	0.1	(0.3)	0.5
Network Innovation Competition								
Awarded NIC funding actually spent or forecast to be spent	Em nominal	-	-	-	-	-	-	-
Company Compulsory Contribution (including % contribution funded by licensee)	Em nominal	-	-	-	-	-	-	-
Successful Delivery Rewards	Em nominal	-	-	0.4	2.4	-	-	-
RoRE Inputs								
Network innovation	Em 12/13	0.2	0.2	(0.3)	(1.9)	0.1	0.1	0.1

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Forecast 2022	Forecast 2023	Cumulative to 2021	RIIO-1 period
Net Interest Per Statutory Accounts	Em nominal									
	41.2	61.7	70.1	72.7	71.9	74.1	80.3	79.7		
Reconciliation with Statutory Accounts	Em nominal									
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. Add back other interest receivable (gain passed through from plc)	21.9	1.6	-	-	-	-	-	-	-	-
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 (RIIO-1) Definition	63.4	63.7	70.1	72.7	71.9	74.1	80.3	79.7		
Forecast new financing/refinancing Net Interest costs	-	-	-	-	-	-	-	-	-	-
Net Interest including forecast new financing/refinancing costs	63.4	63.7	70.1	72.7	71.9	74.1	80.3	84.5		
External Net Interest	41.6	42.9	45.0	44.4	43.4	42.2	44.1	43.5		
Intra-company Net Interest	21.8	20.7	25.1	28.3	28.4	31.9	36.2	41.0		
	OK	OK	OK	OK	OK	OK	OK	OK		
Memo: Net interest (RIIO-1) Definition that relates to non-cash principal inflation accretion on bonds and loan:	Em nominal									
	1.3	3.0	4.7	4.0	2.8	1.6	3.4	2.8		
Less inflation in interest charge	Em nominal									
	14.7	31.1	57.8	51.2	47.2	23.5	51.9	55.7		
Assumed Regulatory finance cost at actual gearing	Em nominal									
	48.7	32.5	12.3	21.5	24.6	50.7	28.4	28.8		
Financial Year Average RPI (RPI1)	Index									
	1.060	1.083	1.124	1.158	1.188	1.202	1.234	1.272		
Assumed regulatory finance cost at actual gearing	Em 12/13									
	45.9	30.0	11.0	18.6	20.7	42.1	23.0	22.6	168.4	214.0
Adjustments to be applied to Assumed Finance cost for performance assessment	Em nominal									
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)	-	-	-	-	-	-	-	-	-	-
Total Adjustments to be applied for performance assessment (at actual gearing)	-	-	-	-	-	-	-	-	-	-
Cost of Debt out(under)performance at notional gearing	Performance against allowance is impacted by deviating from notional levels of gearing									
Notional Gearing	%									
Actual Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
	63.9%	66.0%	67.2%	70.0%	73.6%	75.7%	73.7%	65.0%		
Assumed regulatory finance cost at actual gearing	Em nominal									
Adjustment to regulatory finance cost relating to variance from notional gearing	48.7	32.5	12.3	21.5	24.6	50.7	28.4	28.8		
Assumed regulatory finance cost at notional gearing	0.8	(0.5)	(0.4)	(1.5)	(2.9)	(7.2)	(3.4)	(0.0)		
	49.5	32.0	11.9	20.0	21.8	43.5	25.0	28.8		
Assumed regulatory finance cost at notional gearing	Em 12/13									
Adjustments to be applied for performance assessment (at notional gearing)	46.7	29.6	10.6	17.3	18.3	36.2	20.3	22.6	158.7	201.6
	-	-	-	-	-	-	-	-	-	-
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 true-up over time.									
Cost of Debt Allowance as per latest published PCFM (prior year AIP)	Em 12/13									
Forecast revised Cost of Debt Allowance	32.8	31.3	30.0	27.7	26.0	24.0	22.1	20.6	171.8	214.7
	32.8	31.3	30.0	27.7	26.0	24.1	22.2	20.6		
Out(under) performance	Pre-Tax performance									
Pre-Tax Cost of Debt out(under)performance at actual gearing	Em 12/13									
	(13.1)	1.3	19.0	9.1	5.2	(18.1)	(0.8)	(2.0)	3.4	0.6
Pre-Tax Cost of Debt out(under)performance at notional gearing	Em 12/13									
	(13.9)	1.7	19.3	10.4	7.7	(12.1)	2.0	(2.0)	13.2	13.1
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of gearing	Em 12/13									
	0.8	(0.5)	(0.4)	(1.3)	(2.4)	(5.9)	(2.7)	(0.0)	(9.7)	(12.5)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 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	814.8	816.1	817.6
Loans from other group companies (+ve)	400.0	400.0	400.0	400.0	800.0	1,000.0	1,000.0	600.0
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	142.1	142.1	142.1
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	1,957.0	1,958.2	1,559.8
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	1,957.0	1,958.2	1,559.8
Forecast new debt/refinancing	-	-	-	-	-	-	-	105.0
Regulatory Net Debt including forecast new debt/refinancing	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,957.0	1,958.2	1,664.8
	OK	OK	OK	OK	OK	OK	OK	OK
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	1,957.0	1,958.2
Closing Regulatory Net Debt including forecast new debt/refinancing	1,432.5	1,473.2	1,613.6	1,738.6	1,910.8	1,957.0	1,958.2	1,664.8
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	1,367.6	1,452.9	1,543.4	1,676.1	1,824.7	1,933.9	1,957.6	1,811.5
Average RAV	771.6	748.8	754.3	719.6	654.8	621.2	697.3	974.2
Actual Regulatory Gearing	2,139.2	2,201.6	2,297.7	2,395.7	2,479.5	2,555.1	2,654.9	2,785.7
Notional Gearing	63.9%	66.0%	67.2%	70.0%	73.6%	75.7%	73.7%	65.0%
Gearing Ratio delta	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
	-1.1%	1.0%	2.2%	5.0%	8.6%	10.7%	8.7%	0.0%
NPV Neutral assumed Average Net Debt	1266.55087	1,314.5	1,351.7	1,425.5	1,516.2	1,574.2	1,556.6	1,401.0
NPV Neutral assumed Equity RAV	714.6	677.5	660.6	612.0	544.1	505.7	554.5	753.4
NPV Neutral assumed Average RAV	1,981.1	1,992.0	2,012.3	2,037.5	2,060.3	2,079.9	2,111.1	2,154.4
Actual Regulatory Gearing	63.9%	66.0%	67.2%	70.0%	73.6%	75.7%	73.7%	65.0%
Notional Gearing	65.0%	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%	10.7%	8.7%	0.0%

Actuals	Actuals	Actuals	Actuals	Actuals	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	2,020.4	2,035.7	2,060.3	2,084.4	2,104.7	2,114.0	2,150.0	2,182.8
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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	2,015.0	2,020.4	2,035.7	2,060.3	2,084.4	2,104.7	2,122.0	2,166.4
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Transfers	Em 12/13	-	-	-	-	-	-	-	-
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Opening RAV (after transfers)	Em 12/13	2,015.0	2,020.4	2,035.7	2,060.3	2,084.4	2,104.7	2,122.0	2,166.4
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Net additions (after disposals)	Em 12/13	202.3	211.0	217.7	214.9	209.0	204.3	205.8	201.2
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Net additions (after disposals) - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
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Total Net Additions	Em 12/13	202.3	211.0	217.7	214.9	209.0	204.3	205.8	201.2
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Depreciation	Em 12/13	(196.8)	(195.7)	(193.1)	(190.8)	(188.6)	(187.1)	(161.4)	(159.7)
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Depreciation - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
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Total Depreciation	Em 12/13	(196.8)	(195.7)	(193.1)	(190.8)	(188.6)	(187.1)	(161.4)	(159.7)
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[Input other adjustment]	Em 12/13	-	-	-	-	-	-	-	-
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[Input other adjustment]	Em 12/13	-	-	-	-	-	-	-	-
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[Input other adjustment]	Em 12/13	-	-	-	-	-	-	-	-
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Other adjustments	Em 12/13	-	-	-	-	-	-	-	-
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Adjusted Closing RAV	Em 12/13	2,020.4	2,035.7	2,060.3	2,084.4	2,104.7	2,122.0	2,166.4	2,207.8
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Total enduring value and other adjustments	Em 12/13	-	-	-	-	-	-	-	-
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CHECK		TRUE	TRUE	TRUE	TRUE	TRUE	NA	NA	NA
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Year end RPI

Financial Year Average RPI (RPI1)	Index	1.068	1.103	1.140	1.172	1.196	1.222	1.254	1.293
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Index for Opening RAV conversion to nominal in yr 1	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.234	1.272
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Index	Index	1.053							
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Adjusted Closing RAV	Em nominal	2,157.3	2,246.0	2,349.4	2,442.0	2,517.0	2,593.1	2,716.7	2,854.7
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Cost of debt	annual real %	2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.62%	1.47%
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Cost of equity	annual real %	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
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Notional gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
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Vanilla WACC	annual real %	3.76%	3.67%	3.59%	3.46%	3.36%	3.26%	3.15%	3.06%
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NPV-neutral debt element of RAV	Em 12/13	1,287.7	1,294.8	1,308.0	1,324.4	1,339.2	1,351.9	1,372.2	1,400.4
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NPV-neutral equity element of RAV	Em 12/13	693.4	697.2	704.3	713.1	721.1	728.0	738.9	754.0
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NPV-neutral RAV return base	Em 12/13	1,981.1	1,992.0	2,012.3	2,037.5	2,060.3	2,079.9	2,111.1	2,154.4
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Debt Return on RAV	Em 12/13	32.8	31.3	30.0	27.7	26.0	24.1	22.2	20.6
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Equity Return on RAV	Em 12/13	41.6	41.8	42.3	42.8	43.3	43.7	44.3	45.2
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Total return on RAV	Em 12/13	74.4	73.2	72.2	70.5	69.2	67.7	66.6	65.8
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NPV-neutral debt element of RAV	Em nominal	1,365.4	1,402.3	1,469.6	1,533.5	1,590.8	1,625.4	1,693.5	1,781.4
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NPV-neutral equity element of RAV	Em nominal	735.2	755.1	791.3	825.7	856.6	875.2	911.9	959.2
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Adjusted NPV-neutral average RAV	Em nominal	2,100.6	2,157.4	2,261.0	2,359.2	2,447.4	2,500.6	2,605.4	2,740.6
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Debt Return on RAV	Em nominal	34.8	33.9	33.7	32.1	30.9	28.9	27.4	26.2
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Equity Return on NPV-neutral RAV	Em nominal	44.1	45.3	47.5	49.5	51.4	52.5	54.7	57.6
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Total return on RAV	Em nominal	78.9	79.2	81.1	81.6	82.3	81.4	82.1	83.7
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Actuals	Actuals	Actuals	Actuals	Actuals	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 / trued-up in future years

Tax liability per latest submitted CT600 (pre-group relief) Em nominal 35.1 37.7 28.4 26.3 25.1

Adjustments to remove non-regulated tax liability
 Tax on non-regulated activities Em nominal 1.0 1.5 2.4 (1.0) (1.0)
 [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) (1.0)

Other adjustments
 Tax on output incentives Em nominal (0.4) 0.9 4.0 3.4 1.5 1.3 2.4 2.0
 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
 Tax arising from MOD values Em nominal
Transfer Pricing Em nominal (0.3) (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 1.2 1.3 2.4 2.0

Forecast regulated tax liability (including impact of enduring value adjustments) Em nominal 20.0 22.0 25.0
 Adjusted forecast regulated tax liability with timing differences Em nominal 34.8 35.6 22.3 24.3 24.9 18.7 19.6 23.0

Financial year average RPI Index 1.060 1.083 1.124 1.158 1.188 1.202 1.234 1.272

Adjusted/forecast regulated tax liability with timing differences Em 12/13 32.8 32.9 19.8 21.0 20.9 15.5 15.8 18.1

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% 75.7% 73.7% 65.0%

Adjusted/forecast regulated tax liability with timing differences Em nominal 34.8 35.6 22.3 24.3 24.9 18.7 19.6 23.0
 Adjustment to regulatory tax cost relating to variance from notional gearing Em nominal 0.2 (0.1) (0.1) (0.3) (0.5) (1.4) (0.6) (0.0)
 Revised regulated tax liability for comparison against allowance Em nominal 34.9 35.5 22.2 24.0 24.3 17.3 18.9 23.0
 Revised regulated tax liability for comparison against allowance Em 12/13 32.9 32.8 19.8 20.8 20.5 14.4 15.3 18.1

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 23.1 22.9 25.9 25.5 25.6
 Tax clawbacks Em 12/13 - - - - - - - -
 Net Tax Allowance Em 12/13 26.1 25.2 24.2 23.1 22.9 25.9 25.5 25.6

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 26.1 25.2 24.2 23.1 22.9 23.1 22.6 22.3
 Forecast tax clawbacks Em 12/13 - - - - - - - -
Net forecast tax allowance Em 12/13 26.1 25.2 24.2 23.1 22.9 23.1 22.6 22.3

Reconciliation of forecast movement in allowance
 Changes in corporation tax rates Em 12/13 - - - - - (2.8) (2.9) (3.3)
 Tax allowance retained within deadband Em 12/13
 Other adjustments Em 12/13 (2.8) (2.9) (3.3)
 Check 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 (6.6) (7.7) 4.4 2.1 1.9 7.6 6.8 4.2

Regulated tax out(under) performance at notional gearing Em 12/13 (6.8) (7.6) 4.5 2.4 2.4 8.7 7.3 4.2

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) (1.1) (0.5) (0.0)

Tax impact of financing performance (at actual gearing) Em nominal (2.8) 0.3 4.0 2.0 1.2 (4.1) (0.2) (0.5)
 Tax impact of financing performance (at actual gearing) Em 12/13 (2.6) 0.3 3.6 1.7 1.0 (3.4) (0.1) (0.4)
 Tax impact of financing performance (at notional gearing) Em nominal (2.9) 0.4 4.1 2.3 1.7 (2.8) 0.5 (0.5)
 Tax impact of financing performance (at notional gearing) Em 12/13 (2.8) 0.3 3.7 2.0 1.5 (2.3) 0.4 (0.4)
 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) (1.1) (0.5) (0.0)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Forecast 2022	Forecast 2023
Licensee share of total pension deficit repair payment made for defined benefit scheme	28.8	26.6	27.4	28.4	25.5	23.3		
Of which:								
Established deficit element funded via specific allowances	28.8	26.6	27.4	28.4	25.5	23.3		
Incremental deficit funded via totex	-	-	-	-	-	-		
Established deficit element funded via specific allowances	27.2	24.6	24.4	24.5	21.5	19.4	-	-
Established deficit (EDE) allowance as per PCFM	32.2	32.2	32.2	25.4	25.4	16.1	21.0	21.0
Less Pension Payment History Allowance (PPH)	32.2	32.2	32.2	25.4	25.4	16.1	21.0	21.0
Established deficit allowance less PPH	-	-	-	-	-	-	-	-
Latest pension scheme valuation	Enter valuation date 31/03/2019							
Price base	2018/19							
Total Liabilities attributable to post cut-off date notional sub fund	£m 333.3							
Total Liabilities attributable to pre cut-off date notional sub fund	2,211.1							
Total Assets attributable to post cut-off date notional sub fund	307.3							
Total Assets attributable to pre cut-off date notional sub fund	1,950.5							
Deficit in the post Cut-Off Date Notional Sub-Fund	26.0							
Deficit in the pre Cut-Off Date Notional Sub-Fund	260.6							
Licensee element of established deficit	8.3							
Licensee element of incremental deficit	168.3							

		Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Forecast 2022	Forecast 2023
Post-tax total fines and penalties (including GS payments)	£m 12/13	0.0	0.1	0.3	0.5	0.5	0.4	0.3	0.3
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	0.1	0.1	0.3	0.5	0.6	0.5	0.3	0.3
Any adjustment for tax	£m nominal	-	-	-	-	-	-	-	-
Post-tax total GS payments	£m nominal	0.1	0.1	0.3	0.5	0.6	0.5	0.3	0.3