

Licensee	SSES
Sector	ED1
Reporting Year: (enter 2014 for 2013-14)	2022
Version (Number)	
Submitted Date:	29/07/2022
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**  
**2022**

Version:

Submission	Date submitted	Changes
Submission 1	29/07/2022	
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](#)

Change log  
 SSES  
 2022

Version	Table Reference	Changes made to RFPR template
1.1	R8	Row 26 added to pick up unamortised issues costs row in table R8a.
1.1	R8	Row 42 updated to include new row 26 (unamortised issue costs) in the subtotal
1.1	R1	Amended formatting to percentages (Column M:N, rows 10-23 and rows 29-42)
1.1	R7	B29 to add "Net Interest" into the title to make it clear that this should include regulatory definition of net interest associated with new/refinanced debt raised in future years
1.1	R7	Row 47 added to allow input of issuance expenses forecast for new/refinanced debt in future years
1.1	R8a	Additional row added for restricted cash balances in table R8a in row 18, guidance updated.
1.1	R7	D37 - formula amended to read = ('R8 - Net Debt!'D54-AVERAGE('R8 - Net Debt!'D8,('R8 - Net Debt!'E10-'R8a - Net Debt input!'T18)))*(Data!C36-1)
1.1	R7	E37 - formula amended to read = ('R8 - Net Debt!'E54-AVERAGE(('R8 - Net Debt!'E8-'R8a - Net Debt input!'T18),('R8 - Net Debt!'E10-'R8a - Net Debt input!'U18)))*(Data!D36-1)  Formula copied across to F37:K37
1.1	R10	Amended formula in D50 to read =D85-D87, and dragged formula across to E5:K5
1.1	R1	Amended formula in B3 to correct spelling of system, originally spelt 'systeem'
1.1	R9	Formula in row 32 changed from =IF(D5="Actuals",IF(D31>=0,(D29-SUM(\$D\$31:D31))-D11<'RFPR cover'!\$F\$14,(D29-SUM(\$D\$31:D31))-D11<'RFPR cover'!\$F\$14), "NA") to =IF(D5="Actuals",IF(ABS((D29-SUM(\$D\$31:D31))-D11)<'RFPR cover'!\$F\$14,"TRUE","FALSE"),"NA")
1.1	R8a	Removed content in F12 ("Income statement debits and cash out flows (entered as +ve values, credits as -ve values")
1.1	R8a	Changed "Restricted cash balances (entered as +ve values, credits as -ve values)" in F18 to "Restricted cash balances (-ive)"
1.1	Data	J63:J68 updated to be consistent with Nov 2019 PCFM
1.1	Data	Populated the incentives for NGET SO and NGET SO in the Data tab, based on the incentives in the 2019 RFPR template for both entities.
1.1	R7a	Removed data validation between rows 498:509
1.1	R10	Added in "Tax arising from MOD values" in "Other adjustments" in R10
1.1	R10	Changed the formulas in row 6 from =IF(H6<=('RFPR cover'!\$C\$7),"Actuals","Forecast") to =IF(H6<=('RFPR cover'!\$C\$7-1),"Actuals","Forecast")
1.1	R9	Changed the formulas in row 5 from =IF(D6<=('RFPR cover'!\$C\$7),"Actuals","Forecast") to =IF(D6<=('RFPR cover'!\$C\$7-1),"Actuals","Forecast")
1.1	Data	Changed the tax rate from G25:G30 to be in line with the 2020 Budget, where Government announced the corporate tax rate would be 19% for the years beginning April 2020 and 2021.
1.1	R10	Blocked out G36 as this will be actual information, not forecast.
1.1	Data	Updated the cost of debt figures for 2022 and 2023 to match latest PCFM
1.1	Data	Updated the cost of debt figures for 2022 and 2023 to match latest PCFM, M3 New Forecasts RPI for 2021, 2022 and 2023 and Financial Year Average RPI and Year end RPI in cells E24 and F24
2.0	Data	Updated RPI Index for 2020 and 2021, M3 New Forecasts RPI for 2021, 2022 and 2023
2.0	Data	Updated the cost of debt figures for 2021, 2022 and 2023
2.0	Data	Row 196 - NGESO incentive added
2.0	R7 - Financing	Cell D37 - formula has been corrected.
2.0	RFPR Cover	Changed NGET(SO) to NGESO in the Drop down list
2.1	R10 - Tax	Formula in cell E37 has been corrected
2.1	R7 - Financing	Cell M30 -formula has been removed.
2.1	R3 - Rec to totex	2021 Total Costs per latest RRP submission - Reconciled to 'C1 - Cost Matrix 2021'!CB80' of C&V Pack

**R1 - Return on Regulatory Equity (RoRE)**  
**SSES**  
**2022**

Navigate

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

**RoRE based on Notional Gearing**

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2022	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%	-0.4%	-2.7%	-0.3%	-0.6%
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%	0.3%	0.4%	0.3%	0.3%	0.3%
Interruptions-related quality of service	%	1.8%	1.4%	0.5%	0.2%	0.6%	0.6%	0.9%	0.6%	0.8%	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%	0.0%	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%	-0.4%	-0.1%	-0.1%	-0.1%
<b>RoRE - Operational performance</b>	%	<b>11.5%</b>	<b>10.2%</b>	<b>5.5%</b>	<b>7.5%</b>	<b>3.1%</b>	<b>4.3%</b>	<b>6.5%</b>	<b>4.3%</b>	<b>6.9%</b>	<b>6.5%</b>
Debt performance - at notional gearing	%	-2.4%	0.3%	3.3%	1.7%	1.3%	-2.0%	6.8%	8.5%	1.3%	2.3%
Tax performance - at notional gearing	%	-0.6%	-1.1%	0.1%	0.2%	0.3%	1.9%	-0.8%	-1.5%	0.0%	-0.2%
<b>RoRE - including financing and tax</b>	%	<b>8.5%</b>	<b>9.3%</b>	<b>8.9%</b>	<b>9.4%</b>	<b>4.6%</b>	<b>4.2%</b>	<b>12.4%</b>	<b>11.3%</b>	<b>8.2%</b>	<b>8.6%</b>

**RoRE based on Actual Gearing**

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2022	R110-1 period
Allowed Equity Return	%	5.8%	6.2%	6.4%	7.0%	8.0%	8.7%	7.2%	6.0%	6.9%	6.8%
Totex outperformance	%	3.4%	2.5%	-1.4%	0.7%	-5.4%	-3.9%	-0.4%	-2.7%	-0.4%	-0.7%
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%	0.5%	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%	1.1%	0.6%	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%	0.1%	0.0%	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%	-0.5%	-0.1%	-0.1%	-0.1%
<b>RoRE - Operational performance</b>	%	<b>11.2%</b>	<b>10.5%</b>	<b>5.9%</b>	<b>8.7%</b>	<b>4.1%</b>	<b>6.2%</b>	<b>7.8%</b>	<b>4.3%</b>	<b>8.0%</b>	<b>7.4%</b>
Debt performance - at actual gearing	%	-2.2%	0.2%	3.4%	1.8%	1.1%	-4.3%	8.5%	8.5%	1.3%	2.4%
Tax performance - at actual gearing	%	-0.6%	-1.2%	0.1%	0.2%	0.4%	2.7%	-1.0%	-1.5%	0.0%	-0.2%
<b>RoRE - including financing and tax</b>	%	<b>8.4%</b>	<b>9.5%</b>	<b>9.4%</b>	<b>10.7%</b>	<b>5.6%</b>	<b>4.6%</b>	<b>15.4%</b>	<b>11.3%</b>	<b>9.3%</b>	<b>9.6%</b>

**RoRE input values**

Input values provided in £m 12/13 prices

		2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2022	R110-1 period
Equity Return on the RAV	£m 12/13	41.6	41.8	42.3	42.8	43.2	43.6	44.3	45.2	299.6	344.8
Totex outperformance	£m 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(19.7)	(2.7)	(20.0)	(15.6)	(35.5)
IQI Reward	£m 12/13	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	2.4	2.7
Broad measure of customer service	£m 12/13	0.8	1.3	1.3	1.6	2.7	2.4	2.7	2.4	12.8	15.2
Interruptions-related quality of service	£m 12/13	12.2	9.8	3.4	1.6	4.3	4.5	6.4	4.5	42.2	46.8
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	-	0.4	5.5	5.9
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)	(0.2)	(0.1)	1.4	1.3
Penalties and fines	£m 12/13	(0.0)	(0.1)	(0.3)	(0.5)	(0.5)	(0.4)	(3.2)	(0.4)	(5.0)	(5.3)
<b>RoRE - Operational performance</b>	£m 12/13	<b>79.9</b>	<b>70.9</b>	<b>38.9</b>	<b>53.4</b>	<b>22.0</b>	<b>31.1</b>	<b>47.7</b>	<b>32.3</b>	<b>343.9</b>	<b>376.2</b>
Debt performance - at notional gearing	£m 12/13	(16.6)	2.1	23.0	12.4	9.1	(14.4)	49.9	64.2	65.4	129.6
Debt performance - impact of actual gearing	£m 12/13	0.9	(0.5)	(0.4)	(1.6)	(2.9)	(7.1)	2.2	0.0	(9.5)	(9.4)
Tax performance - at notional gearing	£m 12/13	(4.0)	(7.9)	0.8	1.3	2.3	13.6	(5.9)	(11.3)	0.1	(11.2)
Tax performance - impact of actual gearing	£m 12/13	0.0	(0.0)	-	(0.0)	0.0	-	(0.0)	0.0	(0.0)	0.0
<b>RoRE - including financing and tax</b>	£m 12/13	<b>60.2</b>	<b>64.5</b>	<b>62.3</b>	<b>65.4</b>	<b>30.5</b>	<b>23.1</b>	<b>93.9</b>	<b>85.2</b>	<b>399.9</b>	<b>485.1</b>
NPV-neutral equity element of RAV	£m 12/13	693.4	697.2	704.3	712.7	720.2	727.3	737.7	753.4		
Equity RAV based on actual gearing	£m 12/13	714.6	677.5	660.6	610.9	541.4	503.7	611.0	751.9		

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

**Allowed Revenue - per latest submitted Revenue Return**

Opening Base Revenue Allowance	£m 12/13	473.7	473.7	473.7	473.7	473.7	473.7	
MOD	£m 12/13	-	(8.0)	(13.8)	(19.5)	(26.1)	(19.2)	
True Up	£m 12/13	-	-	(10.4)	(1.8)	1.1	(0.5)	(4.2)
Retail Price Index Forecast (RPIF term)	Index	1.082	1.087	1.121	1.159	1.198	1.2	1.2
Nominal Base Revenue	£m nominal	512.5	506.2	503.9	524.3	546.1	544.19	557.5
Incentive revenue adjustment	£m nominal	(1.9)	4.5	21.1	17.7	8.1	6.76	12.8
Adjustments for Allowed Pass-Through items	£m nominal	-	-	4.3	6.8	(0.6)	(3.4)	(3.6)
Network Innovation Allowance	£m nominal	1.8	1.6	1.1	1.3	1.2	1.62	1.8
Low Carbon Networks Fund revenue adjustment	£m nominal	2.1	0.1	0.3	0.9	0.1	(0.32)	0.1
DPCR4 residual distribution losses incentive	£m nominal	16.4	29.8	8.2	-	-	-	-
[Input description]	£m nominal							
[Input description]	£m nominal							
[Input description]	£m nominal							
[Input description]	£m nominal							
[Input description]	£m nominal							
Correction factor	£m nominal	-	(28.3)	(5.2)	7.4	16.5	5.5	(0.1)
<b>Allowed Network Revenue</b>	£m nominal	<b>531.0</b>	<b>570.5</b>	<b>544.2</b>	<b>543.6</b>	<b>538.3</b>	<b>543.26</b>	<b>568.8</b>
(Under) / Over recovery		<b>(4.8)</b>	<b>7.3</b>	<b>16.0</b>	<b>5.5</b>	<b>0.0</b>	<b>(44.5)</b>	<b>8.7</b>

**Reconciliation: Regulated Network Revenue to Accounts**

<b>Collected Regulated Network Revenue</b>		526.2	577.8	560.2	549.1	538.3	498.8	577.5
<b>Other Turnover Items</b>								
Network Innovation Competition (NIC) payments received from SO	£m nominal	-	-	-	-	-	-	-
Legacy Metering Equipment charges	£m nominal	5.7	9.1	8.5	7.1	6.1	4.8	4.0
Directly Remunerated Services revenue	£m nominal	58.6	60.9	71.5	17.8	17.0	21.6	22.7
Network Asset Secondary Deliverables incentive/penalty	£m nominal	-	-	-	-	-	-	-
Charging outside the Distribution Services Area (Out of Area Charges)	£m nominal	14.5	16.7	19.6	20.9	22.5	21.6	24.2
De Minimis Business of the licensee	£m nominal	0.9	5.7	5.3	6.8	4.2	5.4	7.7
Other consented activities	£m nominal	-	-	-	-	-	-	-
Data Services revenue	£m nominal	-	-	-	-	-	-	-
[Input description, add additional rows as required]	£m nominal							
<b>Total Other Turnover Items</b>	£m nominal	<b>79.7</b>	<b>92.4</b>	<b>104.9</b>	<b>52.6</b>	<b>49.8</b>	<b>53.5</b>	<b>58.7</b>
<b>Other adjustments - please list</b>								
Cable damage income	£m nominal	1.5	1.9	2.0	1.9	2.3	2.4	3.0
Connections - customer funded reinforcement	£m nominal	3.0	1.1	1.7	2.6	6.5	2.6	3.6
Scrap sales	£m nominal	0.7	0.6	1.0	1.3	0.9	1.2	1.6
DUOS Funded Innovation Projects	£m nominal	6.2	4.0	2.2	2.5	2.3	1.6	2.6
IFRIC 18 adjustment (customer contributions to income)	£m nominal	6.3	11.8	3.4	-	-	-	-
Contributions to maintenance (embedded service charges)	£m nominal	0.3	0.5	-	-	-	-	-
Last resort supply payment	£m nominal				0.8	0.7	-	-
I2EV SDRC	£m nominal				2.4	0.3	-	-
DPCR 4	£m nominal				0.1	0.7	-	0.1
Grant Income	£m nominal						0.3	0.4
Cable Cartel Settlement	£m nominal							2.1
Other	£m nominal							
[Input description]	£m nominal					0.1	-	-
[Input description]	£m nominal							
[Input description]	£m nominal							
Roundings	£m nominal							
<b>Total other adjustments</b>	£m nominal	<b>18.0</b>	<b>19.9</b>	<b>10.3</b>	<b>11.6</b>	<b>13.8</b>	<b>8.1</b>	<b>13.3</b>
<b>Reconciled total revenue</b>	£m nominal	<b>623.8</b>	<b>690.1</b>	<b>675.4</b>	<b>613.3</b>	<b>602.0</b>	<b>560.4</b>	<b>649.4</b>
<b>Turnover as per Profit and Loss (Accounts)</b>	£m nominal	<b>623.8</b>	<b>690.1</b>	<b>675.4</b>	<b>613.3</b>	<b>602.0</b>	<b>560.4</b>	<b>649.4</b>
Check		OK	OK	OK	OK	OK	OK	OK





Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast			
2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2022	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	287.2	311.9	2,099.2	2,411.2
Totex allowance	Em 12/13	307.5	314.3	304.1	307.0	274.6	281.7	282.4	276.5	2,071.7	2,348.2
Including allowed adjustments and uncertainty mechanisms											
<b>Totex out(under)performance</b>	Em 12/13	42.7	29.8	(16.0)	7.5	(51.7)	(35.0)	(4.8)	(35.4)	(27.5)	(62.9)
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)	(15.2)	(2.1)	(15.4)	(12.0)	(27.4)
NWO share of performance	Em 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(19.7)	(2.7)	(20.0)	(15.6)	(35.5)
<b>Enduring Value adjustments to Totex performance</b>											
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										
<b>Total enduring value adjustments</b>	Em 12/13										
Enduring Value: Customer share of performance	Em 12/13	-	-	-	-	-	-	-	-	-	-
Enduring Value: NWO share of performance	Em 12/13	-	-	-	-	-	-	-	-	-	-
<b>Total out(under) performance (including enduring value adjustments)</b>											
Customer share of performance	Em 12/13	18.6	13.0	(7.0)	3.3	(22.5)	(15.2)	(2.1)	(15.4)	(12.0)	(27.4)
NWO share of performance	Em 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(19.7)	(2.7)	(20.0)	(15.6)	(35.5)
<b>Total</b>	Em 12/13	42.7	29.8	(16.0)	7.5	(51.7)	(35.0)	(4.8)	(35.4)	(27.5)	(62.9)

n/a

Latest Totex actuals/forecast	Em 12/13										
Totex allowance	Em 12/13										
Including allowed adjustments and uncertainty mechanisms											
<b>Totex out(under)performance</b>	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										
<b>Enduring Value adjustments to Totex performance</b>											
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										
<b>Total enduring value adjustments</b>	Em 12/13										
Enduring Value: Customer share of performance	Em 12/13										
Enduring Value: NWO share of performance	Em 12/13										
<b>Total out(under) performance (including enduring value adjustments)</b>											
Customer share of performance	Em 12/13										
NWO share of performance	Em 12/13										
<b>Total</b>	Em 12/13										

#### Totex Summary

<b>Total out(under) performance (including enduring value adjustments)</b>											
Customer share of performance	Em 12/13	18.6	13.0	(7.0)	3.3	(22.5)	(15.2)	(2.1)	(15.4)	(12.0)	(27.4)
NWO share of performance	Em 12/13	24.1	16.8	(9.0)	4.2	(29.2)	(19.7)	(2.7)	(20.0)	(15.6)	(35.5)
<b>Total</b>	Em 12/13	42.7	29.8	(16.0)	7.5	(51.7)	(35.0)	(4.8)	(35.4)	(27.5)	(62.9)

#### 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	2.4	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	2.4	2.7

#### Em Nominal

Financial Year Average RPI (RPI1)	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.377		
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#### Totex

Latest Totex actuals/forecast	Em nominal	280.8	308.2	359.7	346.8	387.6	380.7	365.3	429.6	2,429.1	2,858.7
Totex allowance	Em nominal	326.1	340.4	341.7	355.5	326.2	338.7	359.1	380.9	2,387.7	2,768.6
Including forecast allowed adjustments and uncertainty mechanisms											
<b>Totex out(under)performance</b>	Em nominal	45.3	32.3	(18.0)	8.7	(61.5)	(42.0)	(6.2)	(48.8)	(41.4)	(90.2)
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)	(18.3)	(2.7)	(21.2)	(18.0)	(39.2)
NWO share of performance	Em nominal	25.6	18.2	(10.2)	4.9	(34.7)	(23.7)	(3.5)	(27.5)	(23.4)	(50.9)
<b>Enduring Value adjustments to Totex performance</b>											
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										
<b>Total enduring value adjustments</b>	Em nominal										
Enduring Value: Customer share of performance	Em nominal	-	-	-	-	-	-	-	-	-	-
Enduring Value: NWO share of performance	Em nominal	-	-	-	-	-	-	-	-	-	-
<b>Total out(under) performance (including enduring value adjustments)</b>											
Customer share of performance	Em nominal	19.7	14.0	(7.8)	3.8	(26.8)	(18.3)	(2.7)	(21.2)	(18.0)	(39.2)
NWO share of performance	Em nominal	25.6	18.2	(10.2)	4.9	(34.7)	(23.7)	(3.5)	(27.5)	(23.4)	(50.9)
<b>Total</b>	Em nominal	45.3	32.3	(18.0)	8.7	(61.5)	(42.0)	(6.2)	(48.8)	(41.4)	(90.2)

n/a

Latest Totex actuals/forecast	Em nominal										
Totex allowance	Em nominal										
Including forecast allowed adjustments and uncertainty mechanisms											
<b>Totex out(under)performance</b>	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										
<b>Enduring Value adjustments to Totex performance</b>											
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										
<b>Total enduring value adjustments</b>	Em nominal										
Enduring Value: Customer share of performance	Em nominal										
Enduring Value: NWO share of performance	Em nominal										
<b>Total out(under) performance (including enduring value adjustments)</b>											
Customer share of performance	Em nominal										
NWO share of performance	Em nominal										
<b>Total</b>	Em nominal										

#### Totex Summary

<b>Total out(under) performance (including enduring value adjustments)</b>											
Customer share of performance	Em nominal	19.7	14.0	(7.8)	3.8	(26.8)	(18.3)	(2.7)	(21.2)	(18.0)	(39.2)
NWO share of performance	Em nominal	25.6	18.2	(10.2)	4.9	(34.7)	(23.7)	(3.5)	(27.5)	(23.4)	(50.9)
<b>Total</b>	Em nominal	45.3	32.3	(18.0)	8.7	(61.5)	(42.0)	(6.2)	(48.8)	(41.4)	(90.2)

Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast		
2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2022	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 2022	RIIO-1 period
a Broad measure of customer service	Em 12/13	0.9	1.6	1.5	2.0	3.4	3.0	3.4	3.0	15.8	18.8
b Interruptions-related quality of service	Em 12/13	15.1	12.1	4.2	2.0	5.3	5.5	7.9	5.6	52.2	57.7
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	-	0.5	6.8	7.3
e Losses discretionary reward scheme	Em 12/13	-	0.5	-	-	-	-	-	-	0.5	0.5
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
g Earned Incentive revenue	Em 12/13	17.4	15.0	6.6	5.6	10.2	9.2	11.3	9.0	75.3	84.3

**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 2022	RIIO-1 period
a Broad measure of customer service	Em 12/13	0.8	1.3	1.3	1.6	2.7	2.4	2.7	2.4	12.8	15.2
b Interruptions-related quality of service	Em 12/13	12.2	9.8	3.4	1.6	4.3	4.5	6.4	4.5	42.2	46.8
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	-	0.4	5.5	5.9
e Losses discretionary reward scheme	Em 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
g Post-Tax Earned Incentive revenue	Em 12/13	14.1	12.1	5.3	4.5	8.3	7.5	9.2	7.3	61.0	68.3

a Broad measure of customer service	Em 12/13	0.9	1.6	1.5	2.0	3.4	3.0	3.4	3.0	15.8	18.8
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	2.4	2.7	2.4	12.8	15.2
b Interruptions-related quality of service	Em 12/13	15.1	12.1	4.2	2.0	5.3	5.5	7.9	5.6	52.2	57.7
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	6.4	4.5	42.2	46.8
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	-	0.5	6.8	7.3
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	-	0.4	5.5	5.9
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

	Performance Year	Pre-RIIO	Pre-RIIO	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	4.0	3.6
b Interruptions-related quality of service	Em nominal	0.3	7.2	18.2	15.0	5.4	2.6	7.0	7.8
c Incentive on connections engagement	Em nominal	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em nominal	-	-	1.5	0.9	0.9	1.8	1.8	0.9
e Losses discretionary reward scheme	Em nominal	-	-	0.5	-	-	-	-	-
f	Em nominal	-	-	-	-	-	-	-	-
g	Em nominal	-	-	-	-	-	-	-	-
<b>Total Impact on Allowed Revenue</b>	<b>Em nominal</b>	<b>(1.9)</b>	<b>4.5</b>	<b>21.1</b>	<b>17.7</b>	<b>8.1</b>	<b>6.8</b>	<b>12.8</b>	<b>12.2</b>

**Additional Commentary**

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		Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 2022	Forecast 2023
<b>Network Innovation Allowance</b>									
Eligible NIA expenditure and Bid Preparation costs	Em nominal	2.0	1.8	1.2	1.5	1.3	1.8	2.0	1.7
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	0.2
<b>Allowed NIA adjustment</b>	Em nominal	<b>1.8</b>	<b>1.6</b>	<b>1.1</b>	<b>1.3</b>	<b>1.2</b>	<b>1.6</b>	<b>1.8</b>	<b>1.5</b>
<b>Low Carbon Networks Fund</b>									
Second Tier and Discretionary (as per latest Revenue RRP)	Em nominal	2.1	0.1	0.3	0.9	0.1	(0.3)	0.1	0.5
First Tier Funding Mechanism (as per latest Revenue RRP)	Em nominal	-	-	-	-	-	-	-	-
<b>Low Carbon Networks Fund revenue adjustment</b>	Em nominal	<b>2.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.9</b>	<b>0.1</b>	<b>(0.3)</b>	<b>0.1</b>	<b>0.5</b>
<b>Network Innovation Competition</b>									
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	-	-	-	-
<b>RoRE Inputs</b>									
Network innovation	Em 12/13	0.2	0.2	(0.3)	(1.9)	0.1	0.1	0.2	0.1

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 2022	Forecast 2023	Cumulative to 2022	RIIO-1 period
<b>Net Interest Per Statutory Accounts</b>										
Em nominal	41.2	61.7	70.1	72.7	71.9	74.1	81.3	73.2		
<b>Reconciliation with Statutory Accounts</b>										
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)	-	-	-	-	-	-	-	-		
<b>Net Interest Per Regulatory (RIIO-1) Definition</b>										
Forecast new financing/refinancing Net Interest costs	63.4	63.7	70.1	72.7	71.9	74.1	81.3	73.2		
Em nominal	63.4	63.7	70.1	72.7	71.9	74.1	81.3	73.2		
<b>Net Interest including forecast new financing/refinancing costs</b>										
External Net Interest	41.6	42.9	45.0	44.4	43.4	42.2	51.6	74.0		
Intra-company Net Interest	21.8	20.7	25.1	28.3	28.4	31.9	29.8	29.8		
Em nominal	63.4	63.7	70.1	72.7	71.9	74.1	81.3	73.2		
OK	OK	OK	OK	OK	OK	OK	OK	OK		
<b>Memo: Net interest (RIIO-1) Definition that relates to non-cash principal inflation accretion on bonds and loan:</b>										
Em nominal	1.3	3.0	4.7	4.0	2.8	1.6	10.6	2.8		
<b>Less inflation in interest charge</b>										
Em nominal	14.7	31.1	57.8	51.2	47.2	23.5	108.7	150.3		
<b>Assumed Regulatory finance cost at actual gearing</b>										
Em nominal	48.7	32.5	12.3	21.5	24.6	50.7	(27.4)	(46.6)		
<b>Financial Year Average RPI (RPI1)</b>										
Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.377		
<b>Assumed regulatory finance cost at actual gearing</b>										
Em 12/13	45.9	30.0	11.0	18.6	20.7	42.1	(21.5)	(33.8)	146.9	113.1
<b>Adjustments to be applied to Assumed Finance cost for performance assessment</b>										
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)	-	-	-	-	-	-	-	-		
<b>Total Adjustments to be applied for performance assessment (at actual gearing)</b>										
Em nominal	-	-	-	-	-	-	-	-		
Em 12/13	-	-	-	-	-	-	-	-		
<b>Cost of Debt out(under)performance at notional gearing</b>										
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%	73.7%	75.8%	71.0%	65.1%		
Assumed regulatory finance cost at actual gearing	48.7	32.5	12.3	21.5	24.6	50.7	(27.4)	(46.6)		
Adjustment to regulatory finance cost relating to variance from notional gearing	0.8	(0.5)	(0.4)	(1.5)	(2.9)	(7.2)	2.3	0.0		
Assumed regulatory finance cost at notional gearing	49.5	32.0	11.9	20.0	21.7	43.5	(25.1)	(46.5)		
<b>Assumed regulatory finance cost at notional gearing</b>										
Em 12/13	46.7	29.6	10.6	17.3	18.3	36.1	(19.7)	(33.8)	138.9	105.1
Em 12/13	-	-	-	-	-	-	-	-		
<b>Cost of Debt Allowance</b>										
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)	32.8	31.3	30.0	27.7	25.9	24.0	22.2	20.1		
Forecast revised Cost of Debt Allowance	32.8	31.3	30.0	27.7	25.9	24.0	22.2	20.1	194.0	214.1
<b>Out(under) performance</b>										
<b>Pre-Tax performance</b>										
Pre-Tax Cost of Debt out(under)performance at actual gearing	(13.1)	1.3	19.0	9.1	5.2	(18.1)	43.7	54.0	47.1	101.1
Pre-Tax Cost of Debt out(under)performance at notional gearing	(13.9)	1.7	19.3	10.4	7.7	(12.1)	41.9	53.9	55.1	109.0
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of gearing	0.8	(0.5)	(0.4)	(1.3)	(2.4)	(6.0)	1.8	0.0	(8.0)	(7.9)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 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	820.4	817.7
Loans from other group companies (+ve)	400.0	400.0	400.0	400.0	800.0	1,000.0	900.0	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	86.9	86.9
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	-	-	-	-	-	-	-	-
<b>Total Debt per Statutory Accounts</b>	<b>1,432.5</b>	<b>1,473.2</b>	<b>1,613.6</b>	<b>1,738.6</b>	<b>1,910.8</b>	<b>1,957.0</b>	<b>1,807.3</b>	<b>1,504.6</b>
<b>Conversion to Regulatory (RIIO-1) Definition of Net Debt</b>								
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]	-	-	-	-	-	-	-	-
<b>Total Net Debt per Regulatory (RIIO-1) definition</b>	<b>1,432.5</b>	<b>1,473.2</b>	<b>1,613.6</b>	<b>1,738.6</b>	<b>1,910.8</b>	<b>1,957.0</b>	<b>1,807.3</b>	<b>1,504.6</b>
Forecast new debt/refinancing	-	-	-	-	-	-	-	310.0
<b>Regulatory Net Debt including forecast new debt/refinancing</b>	<b>1,432.5</b>	<b>1,473.2</b>	<b>1,613.6</b>	<b>1,738.6</b>	<b>1,910.8</b>	<b>1,957.0</b>	<b>1,807.3</b>	<b>1,814.6</b>
	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	1,807.3
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	1,807.3	1,814.6
<b>Allocation of net debt (Per regulatory definition. Transmission companies only)</b>								
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%
<b>Average Net Debt (per Regulatory Definition)</b>								
Equity RAV	1,367.6	1,452.9	1,543.4	1,676.1	1,824.7	1,933.9	1,882.2	1,811.0
Average RAV	771.6	748.8	754.3	718.3	651.6	618.7	768.4	972.2
Actual Regulatory Gearing	2,139.2	2,201.6	2,297.7	2,394.3	2,476.3	2,552.6	2,650.5	2,783.1
Notional Gearing	63.9%	66.0%	67.2%	70.0%	73.7%	75.8%	71.0%	65.1%
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%	8.7%	10.8%	6.0%	0.1%
NPV Neutral assumed Average Net Debt	1266.55087	1,314.5	1,351.7	1,425.5	1,516.2	1,574.2	1,496.7	1,400.6
NPV Neutral assumed Equity RAV	714.6	677.5	660.6	610.9	541.4	503.7	611.0	751.9
NPV Neutral assumed Average RAV	1,981.1	1,992.0	2,012.3	2,036.4	2,057.7	2,077.9	2,107.7	2,152.5
Actual Regulatory Gearing	63.9%	66.0%	67.2%	70.0%	73.7%	75.8%	71.0%	65.1%
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%	8.7%	10.8%	6.0%	0.1%

Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	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	2,082.1	2,101.5	2,121.1	2,160.0	2,202.3
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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	2,082.1	2,101.5	2,121.1	2,160.3
Transfers	Em 12/13	-	-	-	-	-	-	-	-
<b>Opening RAV (after transfers)</b>	Em 12/13	<b>2,015.0</b>	<b>2,020.4</b>	<b>2,035.7</b>	<b>2,060.3</b>	<b>2,082.1</b>	<b>2,101.5</b>	<b>2,121.1</b>	<b>2,160.3</b>
Net additions (after disposals)	Em 12/13	202.3	211.0	217.7	212.6	208.0	206.6	200.5	209.0
Net additions (after disposals) - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
<b>Total Net Additions</b>	Em 12/13	<b>202.3</b>	<b>211.0</b>	<b>217.7</b>	<b>212.6</b>	<b>208.0</b>	<b>206.6</b>	<b>200.5</b>	<b>209.0</b>
Depreciation	Em 12/13	(196.8)	(195.7)	(193.1)	(190.8)	(188.6)	(187.0)	(161.3)	(159.6)
Depreciation - enduring value adjustment	Em 12/13	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	Em 12/13	<b>(196.8)</b>	<b>(195.7)</b>	<b>(193.1)</b>	<b>(190.8)</b>	<b>(188.6)</b>	<b>(187.0)</b>	<b>(161.3)</b>	<b>(159.6)</b>
[Input other adjustment]	Em 12/13	-	-	-	-	-	-	-	-
[Input other adjustment]	Em 12/13	-	-	-	-	-	-	-	-
[Input other adjustment]	Em 12/13	-	-	-	-	-	-	-	-
<b>Other adjustments</b>	Em 12/13	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjusted Closing RAV</b>	Em 12/13	<b>2,020.4</b>	<b>2,035.7</b>	<b>2,060.3</b>	<b>2,082.1</b>	<b>2,101.5</b>	<b>2,121.1</b>	<b>2,160.3</b>	<b>2,209.8</b>

<b>Total enduring value and other adjustments</b>	Em 12/13	-	-	-	-	-	-	-	-
<b>CHECK</b>		<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>NA</b>	<b>NA</b>

**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
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	1.377
	Index	1.053							

**Adjusted Closing RAV**

Em nominal	2,157.3	2,246.0	2,349.4	2,439.3	2,513.2	2,592.0	2,709.0	2,857.2	
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	1,287.7	1,294.8	1,308.0	1,323.7	1,337.5	1,350.6	1,370.0	1,399.1
NPV-neutral equity element of RAV	Em 12/13	693.4	697.2	704.3	712.7	720.2	727.3	737.7	753.4
NPV-neutral RAV return base	Em 12/13	1,981.1	1,992.0	2,012.3	2,036.4	2,057.7	2,077.9	2,107.7	2,152.5
Debt Return on RAV	Em 12/13	32.8	31.3	30.0	27.7	25.9	24.0	22.2	20.1
Equity Return on RAV	Em 12/13	41.6	41.8	42.3	42.8	43.2	43.6	44.3	45.2
Total return on RAV	Em 12/13	74.4	73.2	72.2	70.4	69.2	67.7	66.5	65.3
NPV-neutral debt element of RAV	Em nominal	1,365.4	1,402.3	1,469.6	1,532.7	1,588.8	1,623.8	1,742.3	1,927.0
NPV-neutral equity element of RAV	Em nominal	735.2	755.1	791.3	825.3	855.5	874.4	938.1	1,037.6
Adjusted NPV-neutral average RAV	Em nominal	2,100.6	2,157.4	2,261.0	2,358.0	2,444.2	2,498.2	2,680.4	2,964.6
Debt Return on RAV	Em nominal	34.8	33.9	33.7	32.0	30.8	28.9	28.2	27.7
Equity Return on NPV-neutral RAV	Em nominal	44.1	45.3	47.5	49.5	51.3	52.5	56.3	62.3
Total return on RAV	Em nominal	78.9	79.2	81.1	81.6	82.2	81.4	84.5	90.0

Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	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

<b>Tax liability per latest submitted CT600 (pre-group relief)</b>	Em nominal	35.1	37.7	28.4	26.3	24.0	12.6		
<b>Adjustments to remove non-regulated tax liability</b>									
Tax on non-regulated activities	Em nominal	1.0	1.5	2.4	(1.0)	(1.0)	(2.0)		
[Insert adjustment as necessary]	Em nominal								
[Insert adjustment as necessary]	Em nominal								
[Insert adjustment as necessary]	Em nominal								
<b>Non-regulated tax</b>	Em nominal	1.0	1.5	2.4	(1.0)	(1.0)	(2.0)		
<b>Other adjustments</b>									
Tax on output incentives	Em nominal	(0.4)	0.9	4.0	3.4	1.5	1.3	2.4	2.3
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)	(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								
<b>Total other adjustments</b>	Em nominal	(0.7)	0.6	3.7	3.0	1.2	1.0	2.4	2.3
Forecast regulated tax liability (including impact of enduring value adjustments)	Em nominal							23.3	29.2
Adjusted forecast regulated tax liability with timing differences	Em nominal	34.8	35.6	22.3	24.3	23.8	13.6	20.8	26.8
Financial year average RPI	Index	1.060	1.083	1.124	1.158	1.188	1.202	1.272	1.377
Adjusted/forecast regulated tax liability with timing differences	Em 12/13	32.8	32.9	19.8	21.0	20.1	11.3	16.4	19.5
<b>Tax out(under)performance at notional gearing</b>									
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%	73.7%	75.8%	71.0%	65.1%
Adjusted/forecast regulated tax liability with timing differences	Em nominal	34.8	35.6	22.3	24.3	23.8	13.6	20.8	26.8
Adjustment to regulatory tax cost relating to variance from notional gearing	Em nominal	0.2	(0.1)	(0.1)	(0.3)	(0.6)	(1.4)	0.4	0.0
Revised regulated tax liability for comparison against allowance	Em nominal	34.9	35.5	22.2	24.0	23.3	12.3	21.3	26.9
Revised regulated tax liability for comparison against allowance	Em 12/13	32.9	32.8	19.8	20.8	19.6	10.2	16.7	19.5

**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	24.0	23.3	21.5	25.4	25.9
Tax clawbacks	Em 12/13	-	-	-	-	-	-	(1.7)	(1.6)
Net Tax Allowance	Em 12/13	26.1	25.2	24.2	24.0	23.3	21.5	23.7	24.3

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	24.0	23.3	21.5	20.6	20.1
Forecast tax clawbacks	Em 12/13	-	-	-	-	-	-	(1.7)	(1.6)
<b>Net forecast tax allowance</b>	Em 12/13	26.1	25.2	24.2	24.0	23.3	21.5	18.8	18.4

**Reconciliation of forecast movement in allowance**

Changes in corporation tax rates	Em 12/13	-	-	-	-	-	-	(4.9)	(5.9)
Tax allowance retained within deadband	Em 12/13								
Other adjustments	Em 12/13							(4.9)	(5.9)
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	3.0	3.3	10.1	2.5	(1.1)
Regulated tax out(under) performance at notional gearing	Em 12/13	(6.8)	(7.6)	4.5	3.3	3.7	11.3	2.1	(1.1)
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)	0.3	0.0
Tax impact of financing performance (at actual gearing)	Em nominal	(2.8)	0.3	4.0	2.0	1.2	(4.1)	10.6	14.1
Tax impact of financing performance (at actual gearing)	Em 12/13	(2.6)	0.3	3.6	1.7	1.0	(3.4)	8.3	10.3
Tax impact of financing performance (at notional gearing)	Em nominal	(2.9)	0.4	4.1	2.3	1.7	(2.8)	10.1	14.1
Tax impact of financing performance (at notional gearing)	Em 12/13	(2.8)	0.3	3.7	2.0	1.5	(2.3)	8.0	10.2
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)	0.3	0.0





	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Actuals 2021	Actuals 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	30.3	
Of which:								
Established deficit element funded via specific allowances	28.8	26.6	27.4	28.4	25.5	23.3	30.3	
Incremental deficit funded via totex	-	-	-	-	-	-	-	
Established deficit element funded via specific allowances	27.2	24.6	24.4	24.5	21.5	19.4	23.9	-
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	Actuals 2022	Forecast 2023
<b>Post-tax total fines and penalties (including GS payments)</b>	£m 12/13	0.0	0.1	0.3	0.5	0.5	0.4	3.2	0.4
<b>Ofgem related fines and penalties</b>									
[Insert detail of fine or penalty]	£m nominal								
[Insert detail of fine or penalty]	£m nominal								
[Insert new rows here as necessary]	£m nominal								
<b>Total Ofgem related fines and penalties</b>	£m nominal	-	-	-	-	-	-	-	-
Any adjustment for tax	£m nominal								
<b>Post-tax total fines and penalties</b>	£m nominal	-	-	-	-	-	-	-	-
<b>Guaranteed Standard (GS) payments</b>									
Total GS payments	£m nominal	0.1	0.1	0.3	0.5	0.6	0.5	4.0	0.5
Any adjustment for tax	£m nominal	-	-	-	-	-	-	-	-
<b>Post-tax total GS payments</b>	£m nominal	0.1	0.1	0.3	0.5	0.6	0.5	4.0	0.5