


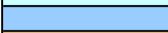





RIO-2 start date (enter 2022 for 2021-22)	2022
Licensee	SHET
Sector	ET2
Reporting Year: (e.g. enter 2022 for 2021-22)	2023
Version (Number)	1
Submitted Date:	29/09/2023

	Input cells
	Totals cells (of formula within worksheet)
	Linked cells
	Referencing to other workbooks (Eg. PCFM/ RRP)
	Check cells
	No Input
	Descriptions and pack data

Version:

Submission	Date submitted	Changes
Submission 1	29/09/2023	
Submission 2		
Submission 3		
Submission 4		
Submission 5		
Submission 6		
Submission 7		
Submission 8		
Submission 9		
Submission 10		

[R1 - RoRE](#)[R2 - Rec to Revenue and Profit](#)[R3 - Totex - Reconciliation](#)[R4 - Incentives and Other Rev](#)[R5 - Financing](#)[R5a - Financing input](#)[R6 - Net Debt](#)[R6a - Net Debt input](#)[R7 - RAV](#)[R8 - Tax](#)[R8a - Tax Reconciliation](#)[R9 - Corporate Governance](#)[R10 - Pensions & other Activities](#)[F3 - Fixed Rate Debt](#)[F4 - Floating Rate Debt](#)[F5 - Inflation Linked Debt](#)[F6 - Debt Dataset](#)[I1 - Universal Data](#)[I2 - Monthly Inflation](#)

Change log
SHET
2023

Version	Table Reference	Changes made to RFPR template	Raised By
V2.0	R2 - row 24 (RRt)	Changed the description to add "per latest PCFM" for more clarity. Guidance document has also been amended.	Ofgem
V2.0	R8 - Row 21	Corrected cell references in formula	Ofgem
V2.0	R3 - row 116, 121, 133, 142	Changed the description to '[Input description, add additional rows as required]'	Ofgem
V2.0	R3 - Rows 36 and 37	Copied and rolled-over D36:D37 formula into future years	Ofgem
V2.0	R1 - J22:K28 and J49:K55	Corrected cell references in formula for 'cumulative' and RIIO-2 period'	Ofgem
V2.0	R2 - Rec to Revenue and Profit	Row 103 formula corrected (was sum now difference)	ESO/NGGT(TO)/NGGT(SO)/NGET(TO)
V2.0	R3 - Row 194 & 196	Added formula/ corrected cell references in formula	ESO/NGGT(TO)/SPT/NGET
V2.0	R1 row 76	Formula in J75:K75 dragged down to populate row 76 which was blank.	NGGT(SO)
V2.0	R8 Row 21	Included if function because top half R8 only completed for actuals on a T+1 basis; therefore if forecast, amount should be zero	WWU
V2.0	R3	Formula in row 198 amended to compare to row 196 not 194	WWU/SPT
V2.0	R7 - RAV	Formulas in row 5 amended to reflect show that RAV totals in AIP 2021 PCFM are not actuals, therefore flag should remain as forecast until the AIP after the Reg year has passed (as was the case in RIIO-1). For example RAV value in 21/22 AIP for 21/22 was not an actual and therefore the check in row 27 should not be activated until the next regulatory year. AIP 2022 will contain the actual 21/22 RAV value and therefore a check to ensure this matches can be incorporated from 22/23 onwards.	SPT
V2.0	R3	5 rows have been added for row 25-29 for the Enduring Value adjustments to Totex performance	NGET
V2.0	R3	7 rows have been added for row 139-145 for the opex reconciling adjustments.	NGET
V2.0	R9	Cells formatted to 3 decimal places (rows 27 to 65)	NGET
V2.0	R8- Tax, rows 64 and 66	Corrected to add a minus sign in the beginning of the formula	NGET
V2.0	R8 - Row 21	Included SIF cell reference in formula	NGET
V2.0	F3, F4, F5, F6, I1, I2	10/02/2023: Added these tabs into the template. These have been copied in from the proposed modification to the RFPR published on 1 April 2022. Only changes to formatting and appearance have been made.	Ofgem
V2.0	R5a and R6a	10/02/2023: Replaced these tabs with the versions from the proposed modification to the RFPR published on 1 April 2022. Only changes to formatting and appearance have been made.	Ofgem
V2.0	R5 and R6	10/02/2023: Links to R5a and R6a refreshed.	Ofgem
V2.0	Data	10/02/2023: Old R5a & R6a validation lines in Data rows 264-336 deleted and replaced with new validation lines used in the F6 tab.	Ofgem
V2.0	R8, rows 21	Formula corrected. Logic was not inflating input in 2018/19 prices to nominal values and 2022 tax rate was used for all years.	NGN
V2.0	R8, row 34	Formula corrected.	NGN
V2.0	R8a - Cell D16	Formula corrected	NG
V2.0	R2	DA costs have been separated from other operating expenses in R3 - row 124 and 135. Logic in R2 on rows 71,74,77 and 83 has been amended so that DA and non-regulated DA adjustment can be excluded from this section to derive EBITDA. Other necessary changes have also been made to R3 sheet where appropriate. DA costs and non-regulated DA will now be explicitly reflected in next section i.e. rows 83-90.	NGGT(SO), NGET, NGN, NGT
V2.0	R7 - RAV	Amended formula to include "Opening RAV (after transfers)" i.e. row 17 instead of row 15	ESO
V2.0	Data tab, R4	Amended to add PCFM acronyms/ references and SpCs where applicable	NGT
V2.0	Data tab	Cell C10, added deadband threshold for sheet R8a, populated from rows 303-331	Ofgem
V2.0	Data tab	Added tables for deadband values per PCFM - rows 303-331 (presentational and grossed-up) in Data tab	Ofgem
V2.0	R8a	Column M has been inserted for materiality checks (linkage with cell C10 on Data tab)	Ofgem
V2.0	R5-Financing sheet	Changed labeling on rows 38,40,44,66,68,70 and 77. Also added a new descriptor on row 81	Ofgem
V2.0	R1 - RORE	Updated the formula in cell D84 to =IFERROR('R5 - Financing'!D85,0) and dragged across the remaining years.	NGET, NGN
V2.0	R1 - RORE	Updated the formula in cell D85 to =IFERROR('R5 - Financing'!D87,0) and dragged across the remaining years.	NGET, NGN
V2.0	R1 - RORE	Updated the formula in cell D86 to =IFERROR('R8 - Tax'!E60,0) and dragged across the remaining years.	NGET
V2.0	R1 - RORE	Updated the formula in cell D87 to =IFERROR('R8 - Tax'!E62,0) and dragged across the remaining years.	NGET, NGN
V2.0	R8a	Corrected the formula to refer to column H instead of column I with the exception of row 16 which is correctly comparing CT600 against the gross calculated tax allowance.	NGET
V2.0	Data tab M304-S332	Gross-up calculation for deadband values per PCFM - rows 303-331 (presentational and grossed-up) in Data tab and created linkage with cell C10	Ofgem
V2.0	Data M304-S332	Changed values to nominal and grossed up for tax on tax to feed into materiality checks in rows 44-93 in R8a	SGN, WWU
V2.0	Data M339- M367	Incorporated a new table to change values to nominal that feed into materiality check in row 95 (tax charge)	Ofgem
V2.0	Data tab - Cell C10	Added to lookup deadband threshold values from Table 2 (M04-S332) for materiality checks for use in R8a (Rows 44-93)	Ofgem
V2.0	Data tab - Cell C11	Added to lookup deadband threshold values from Table 3 (M04-S332) for materiality checks for use in R8a - Tax charge (Row95)	Ofgem
V2.0	Data D273-D274	Added in Data tab "Swap pay leg - finco back to back" in D273, and "Swap receive leg - finco back to back" in D274.	Ofgem
V2.0	R8a	Previous version of Col I and J deleted	Ofgem
V2.0	R8a	Deleted materiality checks from row 31 and above as it's not mandatory for licensees to explain those differences	Ofgem
V2.0	R8a	Corrected formula in col L to look up correct cell references	SPEN, ESO, NGET
V2.0	R8a	Removed the word 'turnover' in cells A35, A38 and A41	ESO, NGET
V2.0	R8	Changed the label in cell B11 and description in cell J11	SPEN, ESO
V2.0	R3	Labels are now formula driven in cells B11 and B45 to include "repex" term only referring to GD2	SPEN
V2.0	R8 - Cell J11	Comment amended to - "R8 row 11 must match with worksheet R8a row 95 minus regulatory adjustments."	SPEN
V2.1	R4	Added formulae/ logic to generate cumulative values in col I and J	Ofgem
v2.0	R6	15/06/2023: Added in new section for reconciliation to statutory accounts: R6 cell B21: row label changed from "Total Debt per Statutory Accounts" to "Total Modelled Debt" R6 add in thirteen new rows below row 46 ("Closing regulatory net debt including forecast new debt/refinancing". These rows are headed "Conversion from Regulatory (RIIO-2) Definition of Net Debt to Statutory Net Debt"	Ofgem
v2.0	R5a	15/06/2023: Added in additional overwrite lines for Debt Interest Expense R5a add in five new rows below row 53. This adds in five new "Other adjustment (Overwrite)" lines above "Sub Total: "Debt Interest Expense" R5a row 59 "Sub Total: "Debt Interest Expense" formula amended to incorporate the five new rows. In Column M, changed from "=SUM(M40:M53)" to "=SUM(M40:M58)" and pasted across the row.	Ofgem
v2.0	R1-R10, F3-F6, I1-I2	Non-input cells have been password protected to prevent any over-writing	Ofgem
v2.0	R8	unprotected sheet	Ofgem
v2.0	R8a - Cell G16	modified the label to correct PCFM reference for ESO	Ofgem, ESO
v2.0	R8a	corrected error in calculation - modified the formula to exclude H90 (Profits used to offset outstanding losses - excluded from Corporation Tax)	Ofgem, ESO
v2.0	R3	Added additional rows for enduring value adjustments - sheet is protected and therefore there is no authority to allow rows 58-60 to total horizontally. The totals are correct on a vertical and total basis for outperformance.	SSE

R1 - Return on Regulatory Equity (RoRE)

SHET
2023

Navigate

Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2023	RIIO-2 period
2022	2023	2024	2025	2026		
2021/22	2022/23	2023/24	2024/25	2025/26		

RoRE based on Notional Gearing

a	Allowed Equity Return	%	4.2%	4.3%	4.9%	4.9%	4.9%	4.3%	4.7%
b	Totex outperformance	%	2.4%	4.8%	0.7%	-2.2%	-1.7%	3.7%	0.4%
c	Business Plan Incentive	%	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%	0.2%
d	Energy not supplied ODI - (SpC 4.2)	%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
e	Insulation And Interruption Gas emissions ODI - (SpC 4.3)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
f	Timely Connections ODI - (SpC 4.4)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
g	Quality of connections satisfaction survey ODI - (SpC 4.5)	%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
i	SO-TO Optimisation ODI - (SpC 4.7)	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
ii	Environmental scorecard ODI - (SpC 4.6)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii	Network innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iv	Carry-over Network innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
v	Strategic innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
vi		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
vii		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
viii		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Penalties and fines (Other Activities)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	RoRE - Operational performance	%	7.1%	9.5%	6.0%	3.0%	3.5%	8.5%	5.4%
	Debt performance - at notional gearing	%	4.2%	8.9%	4.6%	0.0%	-0.6%	6.9%	2.9%
	Tax performance - at notional gearing	%	-1.3%	-0.4%	0.0%	0.0%	0.0%	-0.8%	-0.3%
	RoRE - including financing and tax	%	10.0%	18.1%	10.6%	3.1%	2.9%	14.5%	8.1%

RoRE based on Actual Gearing

a	Allowed Equity Return	%	4.6%	4.0%	4.9%	4.9%	4.9%	4.2%	4.7%
b	Totex outperformance	%	2.6%	4.5%	0.7%	-2.2%	-1.7%	3.7%	0.4%
c	Business Plan Incentive	%	0.3%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%
d	Energy not supplied ODI - (SpC 4.2)	%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
e	Insulation And Interruption Gas emissions ODI - (SpC 4.3)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
f	Timely Connections ODI - (SpC 4.4)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
g	Quality of connections satisfaction survey ODI - (SpC 4.5)	%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
i	SO-TO Optimisation ODI - (SpC 4.7)	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
ii	Environmental scorecard ODI - (SpC 4.6)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii	Network innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iv	Carry-over Network innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
v	Strategic innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
vi		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
vii		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
viii		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Penalties and fines (Other Activities)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	RoRE - Operational performance	%	7.7%	8.9%	6.0%	3.0%	3.5%	8.4%	5.4%
	Debt performance - at actual gearing	%	4.7%	8.0%	4.6%	0.0%	-0.7%	6.7%	2.8%
	Tax performance - at actual gearing	%	-1.5%	-0.3%	0.0%	0.0%	0.0%	-0.8%	-0.2%
	RoRE - including financing and tax	%	11.0%	16.7%	10.6%	3.1%	2.9%	14.3%	8.0%

RoRE input values

Input values provided in £m 18/19 prices

a	Equity Return on the RAV	£m 18/19	59.2	74.1	93.8	108.0	130.3	133.3	465.4
b	Totex outperformance	£m 18/19	33.7	83.7	13.4	(48.7)	(45.1)	117.4	36.9
c	Business Plan Incentive	£m 18/19	4.4	4.4	4.4	4.4	4.4	8.7	21.8
d	Energy not supplied ODI - (SpC 4.2)	£m 18/19	0.8	0.8	0.8	0.8	0.8	1.5	3.9
e	Insulation And Interruption Gas emissions ODI - (SpC 4.3)	£m 18/19	0.3	0.1	0.4	0.6	0.6	0.4	2.1
f	Timely Connections ODI - (SpC 4.4)	£m 18/19	-	-	-	-	-	-	-
g	Quality of connections satisfaction survey ODI - (SpC 4.5)	£m 18/19	0.4	1.8	1.9	1.9	2.1	2.2	8.2
i	SO-TO Optimisation ODI - (SpC 4.7)	£m 18/19	0.3	1.2	-	-	-	1.5	1.5
ii	Environmental scorecard ODI - (SpC 4.6)	£m 18/19	-	-	-	-	-	-	-
iii	Network innovation input for RORE	£m 18/19	(0.0)	(0.1)	(0.3)	(0.3)	(0.2)	(0.1)	(0.8)
iv	Carry-over Network innovation input for RORE	£m 18/19	(0.0)	-	-	-	-	(0.0)	(0.0)
v	Strategic innovation input for RORE	£m 18/19	-	(0.1)	(0.0)	-	-	(0.1)	(0.1)
vi		£m 18/19	-	-	-	-	-	-	-
vii		£m 18/19	-	-	-	-	-	-	-
viii		£m 18/19	-	-	-	-	-	-	-
	Penalties and fines (Other Activities)	£m 18/19	-	-	-	-	-	-	-
	RoRE - Operational performance	£m 18/19	98.9	165.9	114.3	66.7	93.0	264.8	538.8
	Debt performance - at notional gearing	£m 18/19	59.1	155.6	87.6	0.9	(17.2)	214.7	286.0
	Debt performance - impact of actual gearing	£m 18/19	1.8	(6.7)	0.0	(0.1)	(0.2)	(4.9)	(5.1)
	Tax performance - at notional gearing	£m 18/19	(18.6)	(6.7)	0.0	0.0	(0.0)	(25.3)	(25.2)
	Tax performance - impact of actual gearing	£m 18/19	(0.3)	1.3	(0.0)	0.0	0.0	0.9	1.0
	RoRE - including financing and tax	£m 18/19	140.8	309.4	202.0	67.6	75.6	450.2	795.5
	NPV-neutral equity RAV based on notional gearing	£m 18/19	1,394.1	1,739.3	1,910.4	2,212.1	2,653.0		
	Equity RAV based on actual gearing	£m 18/19	1,283.4	1,856.9	1,909.4	2,209.6	2,647.3		

Actuals	Actuals	Forecast	Forecast	Forecast	Forecast		
2022	2023	2024	2025	2026	Cumulative to 2023	RIIO-2 period	
2021/22	2022/23	2023/24	2024/25	2025/26			

Output Incentives (Post Tax)

	£m 18/19	4.36	4.36	4.36	4.36	4.36	8.7	21.8
a Business Plan Incentive (per latest PCFM company-specific Input Sheet)	£m 18/19	4.36	4.36	4.36	4.36	4.36	8.7	21.8
Output Incentives (per latest PCFM company-specific Input Sheet)								
b Energy not supplied ODI - (SpC 4.2)	£m 18/19	0.77	0.77	0.77	0.77	0.77	1.5	3.9
c Insulation And Interruption Gas emissions ODI - (SpC 4.3)	£m 18/19	0.27	0.10	0.42	0.63	0.63	0.4	2.1
d Timely Connections ODI - (SpC 4.4)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
e Quality of connections satisfaction survey ODI - (SpC 4.5)	£m 18/19	0.42	1.80	1.94	1.94	2.13	2.2	8.2
f SO-TO Optimisation ODI - (SpC 4.7)	£m 18/19	0.28	1.20	0.00	0.00	0.00	1.5	1.5
g Environmental scorecard ODI - (SpC 4.6)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
Earned Output Incentive revenue as per PCFM	£m 18/19	1.7	3.9	3.1	3.3	3.5	5.6	15.6

Additional Commentary

- a
- b
- c
- d
- e
- f
- g

Other Revenue Allowances (ORA_t) - Post Tax

Innovation

	£m 18/19	0.1	0.9	3.0	2.8	1.7	1.0	8.5	
i Network Innovation Allowance	£m 18/19	0.1	0.9	3.0	2.8	1.7	1.0	8.5	Does not apply to NGGT SO
Total NIA Expenditure	£m 18/19								
Unrecoverable Expenditure (eg not conforming to technical requirements)	£m 18/19								
Company Compulsory Contribution (including % contribution funded by licensee)	£m 18/19	0.0	0.1	0.3	0.3	0.2	0.1	0.8	
Allowed NIA adjustment	£m 18/19	0.1	0.8	2.7	2.5	1.5	0.9	7.6	
Network innovation input for RORE	£m 18/19	0.0	0.1	0.3	0.3	0.2	0.1	0.8	
ii Carry Over RIIO-1 Network Innovation Allowance	£m 18/19	0.4							Does not apply to NGGT SO
Eligible NIA expenditure and Bid Preparation costs	£m 18/19	0.4							
Unrecoverable Expenditure (eg not conforming to technical requirements)	£m 18/19								
Company Compulsory Contribution (including % contribution funded by licensee)	£m 18/19	0.0							
Allowed CNIA adjustment	£m 18/19	0.4							
Carry-over Network innovation input for RORE	£m 18/19	0.0							
iii Strategic Innovation Fund	£m 18/19	0.2	0.8	0.3			0.9	1.3	Does not apply to NGGT SO
SIF Funding	£m 18/19	0.2	0.8	0.3			0.9	1.3	
SIF Funding Return (Disallowed Expenditure only)	£m 18/19								
Company Compulsory Contribution (including % contribution funded by licensee)	£m 18/19	-	0.1	0.0			0.1	0.1	
Allowed SIF adjustment	£m 18/19	0.2	0.7	0.3	-	-	0.8	1.2	
Strategic innovation input for RORE	£m 18/19	-	0.1	0.0	-	-	0.1	0.1	

Incentives

Actuals may be updated once all incentives are determined - ONLY APPLIES TO NGGT - SO

NOTE: Section below excludes ORA (i), (ii) and (iii) which have already been included as part of "Innovation" section above.

Incentives per latest PCFM company-specific Input Sheet

iv	£m 18/19						-	-
v	£m 18/19						-	-
vi	£m 18/19						-	-
vii	£m 18/19						-	-
viii	£m 18/19						-	-
	£m 18/19	-	-	-	-	-	-	-

Additional Commentary

- i
- ii
- iii
- iv
- v
- vi
- vii
- viii

		Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	
		2022	2023	2024	2025	2026	Cumulative to 2023	RIIO-2 period
		2021/22	2022/23	2023/24	2024/25	2025/26		
Net Interest Per Statutory Accounts	£m nominal	51.2	46.7	66.1	65.2	55.0		
Reconciliation with Statutory Accounts								
Interest not qualifying for corporation tax relief	£m nominal	-	-	-	-	-		
Fair value adjustments (e.g. losses on derivatives)	£m nominal	-	-	-	-	-		
Dividends on preference shares	£m nominal	-	-	-	-	-		
Costs of early redemption on long term debt	£m nominal	-	-	-	-	-		
Swap Termination Costs paid	£m nominal	-	-	-	-	-		
Movements relating to pension fund liabilities reported within net interest	£m nominal	-	-	-	-	-		
Debt issuance expenses (inc. amortisation to discounts that had previously benefited frc)	£m nominal	-	-	-	-	-		
Commitment fees for undrawn liquidity backup lines	£m nominal	-	-	-	-	-		
1. Add back capitalised interest	£m nominal	13.5	16.0	-	-	-		
2. Less interest attributable to TIRG debt	£m nominal	(7.0)	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Other Adjustments [please specify]	£m nominal	-	-	-	-	-		
Net Interest Per Regulatory (RIIO-2) Definition	£m nominal	57.6	62.7	66.1	65.2	55.0		
Forecast new financing/refinancing Net Interest costs	£m nominal	-	-	17.1	31.2	75.1		
Net Interest including forecast new financing/refinancing costs	£m nominal	57.6	62.7	83.2	96.4	130.1		
External Net Interest	£m nominal	25.4	37.6	58.1	71.3	114.7		
Intra-company Net Interest	£m nominal	32.2	25.1	25.1	25.1	15.3		
		OK	OK	OK	OK	OK		
Memo: Net interest (RIIO-2) Definition that relates to non-cash principal inflation accreti	£m nominal	-	-	-	-	-		
Inflation component of nominal finance cost	£m nominal	90.1	198.7	139.1	25.0	10.4		
In-period real finance cost (reg terms) at actual gearing	£m nominal	(32.5)	(136.0)	(55.9)	71.4	119.7		
Combined RPI-CPIH real to nominal prices conversion	Factor	1.085	1.180	1.236	1.245	1.248		
In-period real finance cost (reg terms) at actual gearing	£m 18/19	(29.9)	(115.3)	(45.2)	57.3	95.9	(145.2)	(37.2)
Adjustments to be applied to Assumed Finance cost for performance assessment								
Add back Debt Issuance expenses	£m nominal	-	-	-	-	-	-	-
New/refinanced debt issuance expenses	£m nominal	-	-	-	-	-	-	-
Costs of early redemption on long term debt (excluding exceptional costs of buy backs as	£m nominal	-	-	-	-	-	-	-
Add accrual for inflation accretion on index-linked swaps (if applicable)	£m nominal	-	-	-	-	-	-	-
Other Adjustments [please specify]	£m nominal	-	-	-	-	-	-	-
Other Adjustments [please specify]	£m nominal	-	-	-	-	-	-	-
Other Adjustments [please specify]	£m nominal	-	-	-	-	-	-	-
Other Adjustments [please specify]	£m nominal	-	-	-	-	-	-	-
Total Adjustments to be applied for performance assessment (at actual gearing)	£m nominal	-	-	-	-	-	-	-
Total Adjustments to be applied for performance assessment (at actual gearing)	£m 18/19	-	-	-	-	-	-	-
Cost of Debt out(under)performance at notional gearing								
Performance against allowance is impacted by deviating from notional levels of gearing								
Notional Gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%		
Actual Gearing	%	58.6%	52.0%	55.0%	55.1%	55.1%		
In-period real finance cost (reg terms) at actual gearing	£m nominal	(32.5)	(136.0)	(55.9)	71.4	119.7		
Adjustment to regulatory finance cost relating to variance from notional gearing	£m nominal	2.0	(8.0)	0.0	(0.1)	(0.2)		
In-period real finance cost (reg terms) at notional gearing	£m nominal	(30.5)	(144.0)	(55.9)	71.3	119.5		
In-period real finance cost (reg terms) at notional gearing	£m 18/19	(28.1)	(122.0)	(45.2)	57.3	95.7	(150.1)	(42.3)
Adjustments to be applied for performance assessment (at notional gearing)	£m 18/19	-	-	-	-	-	-	-
Cost of Debt Allowance								
The latest PCFM contains the allowed cost of debt rate (%) for the reporting year.								
Real Cost of Debt Allowance as per latest published PCFM (prior year AIP)	£m 18/19	31.0	33.6	42.4	58.2	78.5		
Out(under) performance								
The real cost of debt is compared against the regulatory debt allowance (set in real terms) for an assessment of performance given the inflation protection provided by RAV indexation.								
Pre-Tax performance								
Pre-Tax Cost of Debt out(under)performance at actual gearing	£m 18/19	60.9	148.9	87.6	0.9	(17.4)	209.8	280.9
Pre-Tax Cost of Debt out(under)performance at notional gearing	£m 18/19	59.1	155.6	87.6	0.9	(17.2)	214.7	286.0
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of g	£m 18/19	1.8	(6.7)	0.0	(0.1)	(0.2)	(4.9)	(5.1)

	Actuals 2022 2021/22	Actuals 2023 2022/23	Forecast 2024 2023/24	Forecast 2025 2024/25	Forecast 2026 2025/26
Opening Cash, short term deposits and overdrafts (per Balance Sheet)	£m nominal 2.5	(0.4)	(7.8)	-	-
Closing Cash, short term deposits and overdrafts (per Balance Sheet)	£m nominal (0.4)	(7.8)	-	-	-
Bonds	£m nominal 844.4	844.9	844.9	844.9	844.9
External Loans	£m nominal 600.0	550.0	400.0	400.0	400.0
Private Placements	£m nominal -	350.0	350.0	350.0	350.0
Group company loans (licensee lender)	£m nominal -	-	-	-	-
Group company loans (licensee borrower)	£m nominal 780.0	780.0	780.0	480.0	30.0
Group Loans from Finco back to back with finco bond issue	£m nominal -	-	-	-	-
Swaps Pay Leg	£m nominal -	-	-	-	-
Swaps Receive Leg	£m nominal -	-	-	-	-
Other	£m nominal 7.8	9.1	8.8	8.6	8.4
Total Modelled Debt	£m nominal 2,231.9	2,526.2	2,383.7	2,083.5	1,633.3
Conversion to Regulatory (RIIO-2) Definition of Net Debt					
Unamortised Issue Costs	£m nominal -	-	-	-	-
Fixed asset investments not readily convertible to cash	£m nominal -	-	-	-	-
Preference shares	£m nominal -	-	-	-	-
Long term loans (Not for benefit of regulated business or distribution in nature)	£m nominal -	-	-	-	-
1. Less debt attributable to TIRG	£m nominal (236.1)	-	-	-	-
2. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
3. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
4. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
5. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
6. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
7. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
8. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
9. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
10. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
11. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
12. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
Total Net Debt per Regulatory (RIIO-2) definition	£m nominal 1,995.8	2,526.2	2,383.7	2,083.5	1,633.3
Forecast new debt/refinancing	£m nominal -	940.0	940.0	1,450.0	3,100.0
Regulatory Net Debt including forecast new debt/refinancing	£m nominal 1,995.8	2,526.2	3,323.7	3,533.5	4,733.3
	OK	OK	OK	OK	OK
Opening Regulatory Net Debt including forecast new debt/refinancing	£m nominal 2,032.9	1,995.8	2,526.2	3,323.7	3,533.5
Closing Regulatory Net Debt including forecast new debt/refinancing	£m nominal 1,995.8	2,526.2	3,323.7	3,533.5	4,733.3
Conversion from Regulatory (RIIO-2) Definition of Net Debt to Statutory Net Debt					
1. Fair value adjustments	£m nominal -	-	-	-	-
2. Accrued interest	£m nominal -	-	-	-	-
3. Derivatives - other than cross currency swaps	£m nominal -	-	-	-	-
4. Balancing value on cross currency swaps	£m nominal -	-	-	-	-
5. IFRS 16 Right of Use Lease Liability	£m nominal -	-	-	-	-
6. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
7. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
8. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
9. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
10. [Insert adjustment as necessary]	£m nominal -	-	-	-	-
Net Debt per Statutory Accounts	£m nominal 1,995.8	2,526.2	2,383.7	2,083.5	1,633.3
Allocation of net debt (Per regulatory definition. Transmission companies only)					
Gas system operator allocation (transmission companies only)	% 0%	0%	0%	0%	0%
Transmission or distribution allocation	% 100%	100%	100%	100%	100%
Average Net Debt (per Regulatory Definition)	£m nominal 2,014.3	2,261.0	2,925.0	3,428.6	4,133.4
Equity RAV	£m nominal 1,424.5	2,090.6	2,390.8	2,799.4	3,368.7
Average RAV	£m nominal 3,438.9	4,351.6	5,315.7	6,228.0	7,502.1
Actual Regulatory Gearing	% 58.6%	52.0%	55.0%	55.1%	55.1%
Notional Gearing	% 55.0%	55.0%	55.0%	55.0%	55.0%
Gearing Ratio delta	% 3.6%	-3.0%	0.0%	0.1%	0.1%
NPV Neutral assumed Average Net Debt	£m 18/19 1,814.7	2008.3	2336.0	2706.3	3248.3
NPV Neutral assumed Equity RAV	£m 18/19 1,283.4	1,856.9	1,909.4	2,209.6	2,647.3
NPV Neutral assumed Average RAV	£m 18/19 3,098.1	3,865.2	4,245.4	4,915.9	5,895.6
Actual Regulatory Gearing	% 58.6%	52.0%	55.0%	55.1%	55.1%
Notional Gearing	% 55.0%	55.0%	55.0%	55.0%	55.0%
Gearing Ratio delta	% 3.6%	-3.0%	0.0%	0.1%	0.1%

Actuals	Forecast	Forecast	Forecast	Forecast
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

RAV per latest PCFM

Closing RAV per latest PCFM	£m 18/19	3,330.7	4,074.5	4,578.9	5,445.7	6,586.2
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Opening RAV (before transfers)	£m 18/19	2,967.1	3,323.0	4,061.3	4,571.6	5,438.0
Transfers	£m 18/19	-	456.3	-	-	-
Opening RAV (after transfers)	£m 18/19	2,967.1	3,779.3	4,061.3	4,571.6	5,438.0
Net additions (after disposals)	£m 18/19	520.3	493.7	723.0	1,102.9	1,397.5
Net additions (after disposals) - enduring value adjustment	£m 18/19	(7.7)	(5.7)	5.6	(0.7)	(0.4)
Total Net Additions	£m 18/19	512.6	487.9	728.7	1,102.2	1,397.2
Depreciation	£m 18/19	(156.7)	(206.1)	(218.7)	(236.1)	(257.1)
Depreciation - enduring value adjustment	£m 18/19	-	0.2	0.4	0.2	0.3
Total Depreciation	£m 18/19	(156.7)	(205.9)	(218.3)	(235.8)	(256.8)
Adjusted Closing RAV	£m 18/19	3,323.0	4,061.3	4,571.6	5,438.0	6,578.3

Total enduring value and other adjustments		(7.7)	(5.5)	6.0	(0.5)	(0.1)
CHECK		TRUE	NA	NA	NA	NA

Index for Opening RAV conversion to nominal in yr 1	Index	1.053
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Adjusted Closing RAV	£m nominal	3,752.4	4,950.8	5,680.7	6,775.4	8,228.9
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Cost of debt	annual real %	1.82%	1.58%	1.82%	2.15%	2.42%
Cost of equity	annual real %	4.24%	4.26%	4.91%	4.88%	4.91%
Notional gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%
Vanilla WACC	annual real %	2.91%	2.79%	3.21%	3.38%	3.54%

NPV-neutral debt element of RAV	£m 18/19	1,703.9	2,125.9	2,335.0	2,703.7	3,242.6
NPV-neutral equity element of RAV	£m 18/19	1,394.1	1,739.3	1,910.4	2,212.1	2,653.0
NPV-neutral RAV return base	£m 18/19	3,098.1	3,865.2	4,245.4	4,915.9	5,895.6

Debt Return on RAV	£m 18/19	31.0	33.6	42.4	58.2	78.5
Equity Return on RAV	£m 18/19	59.2	74.1	93.8	108.0	130.3
Total return on RAV	£m 18/19	90.2	107.7	136.2	166.2	208.9

Actuals	Forecast	Forecast	Forecast	Forecast
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

The 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.

Tax liability per latest submitted CT600 (pre-group relief) after Regulatory Adjustments	£m nominal	29.3				
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Adjustments to remove non-regulated tax liability

Tax on non-regulated activities	£m nominal	(3.4)				
Metering	£m nominal					
De-minimus and Other activities	£m nominal	0.1				
Excluded services	£m nominal					
Non-regulated tax	£m nominal	(3.3)	-	-	-	-

Other adjustments

Tax on Other Revenue Allowances - Innovation and Incentives only	£m nominal	0.0	-	-	-	-
Collected revenue adjustment ('k')	£m nominal	2.9				
Pension - timing adjustment	£m nominal					
Pension - disallowed contributions	£m nominal					
Tax on derivatives not disregarded	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Total other adjustments	£m nominal	2.9	-	-	-	-

Forecast regulated tax liability (including impact of any enduring value adjustments)	£m nominal	29.7	25.7	2.1	2.1	2.0
Adjusted regulated tax liability	£m nominal	29.7	25.7	2.1	2.1	2.0

Combined RPI-CPIH real to nominal prices conversion	Factor	1.085	1.180	1.236	1.245	1.248
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Adjusted/forecast regulated tax liability	£m 18/19	27.4	21.8	1.7	1.7	1.6
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Tax out(under)performance at notional gearing

Performance against allowance is impacted by deviating from notional levels of gearing

Notional Gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%
Actual Gearing	%	58.6%	52.0%	55.0%	55.1%	55.1%

Adjusted/forecast regulated tax liability	£m nominal	29.7	25.7	2.1	2.1	2.0
Adjustment to regulatory tax cost relating to variance from notional	£m nominal	(0.4)	1.5	(0.0)	0.0	0.1
Revised regulated tax liability for comparison against allowance	£m nominal	29.3	27.2	2.1	2.1	2.1
Revised regulated tax liability for comparison against allowance	£m 18/19	27.0	23.1	1.7	1.7	1.6

Allowance

Tax Allowance per latest PCFM	£m 18/19	8.4	16.4	1.7	1.7	1.6
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Out(under) performance

Regulated tax out(under) performance at actual gearing	£m 18/19	(19.0)	(5.4)	0.0	0.0	0.0
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Regulated tax out(under) performance at notional gearing	£m 18/19	(18.6)	(6.7)	0.0	0.0	(0.0)
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Impact on out(under) performance relating to deviating from n	£m 18/19	(0.3)	1.3	(0.0)	0.0	0.0
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Tax impact of financing performance (at actual gearing)	£m nominal	(12.6)	(33.4)	(27.1)	(0.3)	5.4	changed to calculatio
Tax impact of financing performance (at actual gearing)	£m 18/19	(11.6)	(28.3)	(21.9)	(0.2)	4.3	
Tax impact of financing performance (at notional gearing)	£m nominal	(12.2)	(34.9)	(27.1)	(0.3)	5.4	changed to calculatio
Tax impact of financing performance (at notional gearing)	£m 18/19	(11.2)	(29.6)	(21.9)	(0.2)	4.3	
Tax impact of financing performance relating to deviating from notional	£m 18/19	(0.3)	1.3	(0.0)	0.0	0.0	

Actuals	Actuals	Forecast	Forecast	Forecast
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

Dividends Reconciliation - Regulated Business to Accounts

Dividend paid as per Statutory Accounts	£m nominal	-	-			
<i>Less dividend paid not related to Regulated business</i>						
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Dividend paid relating to the Regulated Business	£m nominal	-	-	-	-	-
Shareholder loan interest (not included as Net Int	£m nominal	-	-			

Executive Directors* Remuneration

		2023 - Actuals				
		Director 1	Director 2	Director 3	Director 4	Director 5
Name of Director		SSEPD Board/ Transmission Board Executive Directors				
Fixed Pay						
Salary	£m nominal	1.116				
Bonus	£m nominal	0.122				
[Insert new rows here as necessary]	£m nominal	-				
Benefits	£m nominal	0.208				
[Insert new rows here as necessary]	£m nominal	-				
Pension	£m nominal	0.058				
[Insert new rows here as necessary]	£m nominal	-				
Total Fixed Pay	£m nominal	1.504	-	-	-	-
Allocation to Regulated Business	£m nominal					
Variable Pay						
Incentives	£m nominal	0.841				
[Insert new rows here as necessary]	£m nominal	-				
Performance related Pay	£m nominal	0.948				
[Insert new rows here as necessary]	£m nominal	-				
Total Variable Pay	£m nominal	1.788	-	-	-	-
Allocation to Regulated Business	£m nominal					
Total Pay	£m nominal	3.292	-	-	-	-
Total Pay related to Regulated Business	£m nominal	-	-	-	-	-
Shares** / Options						
Share ownership/ awards	No. of Shares					
[Insert new rows here as necessary]						
% Discount on shares purchased	%					
% of shares held compared to total authorised shares	%					
Value of total shares	£m nominal					
No. of Options held	No.					
Exercise price	£					
No. of options exercised	No.					
Value of Options exercised	£m nominal	-	-	-	-	-
Dividends paid	£m nominal					
Total Shares, Options and Dividends		-	-	-	-	-
Allocation to Regulated Business	£m nominal					
Total Remuneration	£m nominal	3.292	-	-	-	-
Total Remuneration related to Regulated Business	£m nominal	-	-	-	-	-
Pay Ratios - CEO's total remuneration to company's UK employees remuneration						
25th percentile						
50th percentile						
75th percentile						

*meaning executive board directors
** in addition to shares under Variable Pay

Supporting Comments

The above disclosure represents total remuneration for all executive directors who served on the Company's governing board in the year to 31 March 2023. The Company was governed by the Scottish and Southern Energy Power Distribution Board which also governs sister companies, Scottish Hydro Electric Power Distribution plc (SHEPD) and Southern Electric Power Distribution plc (SEPD), until 25 November 2022. This changed following the sale of a 25% non-controlling equity stake in the Company to Ontario Teachers' Pension Plan, from which point the governance of the Company's activities transferred to the Company Board. The total remuneration above therefore represents 6 executive directors on the SSEPD Board to 25 November 2022 and 2 executive Directors on the Company Board from 25 November 2022 to 31 March 2023.

Actuals	Actuals	Forecast	Forecast	Forecast
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

Pensions

Licensee share of total pension deficit repair payment made for defined benefit scheme	£m nominal	-	-	-	-	-
Of which:						
Established deficit element funded via specific allowances	£m nominal	-	-	-	-	-
Incremental deficit funded via totex	£m nominal	-	-	-	-	-
Established deficit element funded via specific allowances	£m 18/19	-	-	-	-	-
Established deficit (EDE) allowance as per latest PCFM	£m 18/19	(0.9)	(1.9)	-	(0.2)	(0.2)
Less Pension Payment History Allowance (PPH)	£m 18/19	-	-	-	-	-
Established deficit allowance less PPH	£m 18/19	(0.9)	(1.9)	-	(0.2)	(0.2)
Latest pension scheme valuation		Enter valuation date				
		31/03/2022				
Price base		21/22				
Total Liabilities attributable to post cut-off date notional sub fund	£m 21/22	229.0				
Total Liabilities attributable to pre cut-off date notional sub fund	£m 21/22	1,564.2				
Total Assets attributable to post cut-off date notional sub fund	£m 21/22	110.1				
Total Assets attributable to pre cut-off date notional sub fund	£m 21/22	1,947.1				
Deficit in the post Cut-Off Date Notional Sub-Fund	£m 21/22	118.9				
Deficit in the pre Cut-Off Date Notional Sub-Fund	£m 21/22	(382.9)				
Licensee element of established deficit	£m 21/22	(26.8)				
Licensee element of incremental deficit	£m 21/22	9.2				

Other Activities

Actuals	Actuals	Forecast	Forecast	Forecast
2022	2023	2024	2025	2026

Post-tax total fines and penalties (including GS payments)	£m 18/19	-	-	-	-	-
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					
Any adjustment for tax	£m nominal					
Post-tax total GS payments	£m nominal	-	-	-	-	-