

Licensee	SHET
Sector	ET1
Reporting Year: (enter 2014 for 2013-14)	2020
Version (Number)	
Submitted Date:	31/08/2020
Cost of Equity	7.0%
Sharing Factor	50.00%
Notional Gearing	55.0%
RIIO-1 start date	2014
Price basis	£m 09/10

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

Network Operator Data
SHET
2020

2018	2017-18
2019	2018-19
2020	2019-20
2021	2020-21
2022	2021-22
2023	2022-23

RPI Index	Reporting year	Actual / Forecast Index	Financial Year Average RPI (RPI)	Year end RPI	Corp. Tax
2009-10	2010	Actual	215.8	221.8	28%
2010-11	2011	Actual	226.5	233.5	28%
2011-12	2012	Actual	237.3	241.7	26%
2012-13	2013	Actual	244.7	249.1	24%
2013-14	2014	Actual	251.7	255.3	23%
2014-15	2015	Actual	256.7	257.6	21%
2015-16	2016	Actual	259.4	261.3	20%
2016-17	2017	Actual	265.0	270.0	20%
2017-18	2018	Actual	274.9	279.0	19%
2018-19	2019	Actual	283.3	286.7	19%
2019-20	2020	Actual	290.6	292.6	19%
2020-21	2021	Forecast	296.5	298.5	19%
2021-22	2022	Forecast	303.9	305.9	19%
2022-23	2023	Forecast	312.4	314.4	19%
2023-24	2024	Forecast	317.4	319.4	19%
2024-25	2025	Forecast	322.4	324.4	19%
2025-26	2026	Forecast	327.4	329.4	19%

	Actuals 2014	Actuals 2015	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021
Financial Year Average RPI (RPI)	1.167	1.190	1.202	1.228	1.274	1.313	1.347	1.374
Year end RPI	1.183	1.194	1.211	1.251	1.293	1.329	1.356	1.383
1 year change in Fin Year Ave RPI	1.029	1.020	1.011	1.021	1.037	1.031	1.026	1.020

HMT Forecasts for UK Economy - M3 New Forecasts RPI

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

Forecast growth rate

Reporting Year	2017	2018	2019	2020	2021	2022	2023
Forecast growth rate	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%

Future inflation assumption

Reporting Year	2017	2018	2019	2020	2021	2022	2023
Future inflation assumption	2.550%	2.000%	2.500%	2.800%			

Selected Capitalisation rates for SHET

RII01	2014	2015	2016	2017	2018	2019	2020	2021
Totex	90.00%							
n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	ED	Em 12/13	Totex	
ED	Em 09/10	Totex		n/a
GD	Em 09/10	Totex excluding repex		Repex
GT	Em 09/10	Totex (non-uncertainty rate)		Uncertainty rate

Allowed cost of debt %

Updated data to follow

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
WPD	2.55%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%	0.77%	0.46%	
ED - excluding WPD	2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.63%	1.48%		
SHET	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.83%		
ET - excluding SHET	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%		
GD	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%		
GT	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%		

Sector	Default	Allowed Cost of Equity	TIM Incentive Strength	Gearing	Main Cap. Rate	RII01 start date	Price Basis	Fast Tracked	IOI pre or post tax	Allowed cost of debt											
										2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
ENWL	6.0%	58.11%	65.0%	68.0%	2016	Em 12/13	No	Post													
ED	6.0%	55.84%	65.0%	70.0%	2016	Em 12/13	No	Post													
ED	6.0%	55.84%	65.0%	72.0%	2016	Em 12/13	No	Post													
ED	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post													
ED	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post													
ED	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post													
ED	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post													
ED	6.0%	53.50%	65.0%	80.0%	2016	Em 12/13	No	Post													
ED	6.0%	56.47%	65.0%	62.0%	2016	Em 12/13	No	Post													
ED	6.0%	56.47%	65.0%	70.0%	2016	Em 12/13	No	Post													
ED	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre													
ED	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre													
ED	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre													
ED	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre													
GD	6.7%	63.04%	65.0%	26.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.04%	65.0%	23.5%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.04%	65.0%	24.9%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.04%	65.0%	26.1%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.04%	65.0%	35.0%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.73%	65.0%	35.1%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.73%	65.0%	32.2%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GD	6.7%	63.17%	65.0%	35.8%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GT	6.8%	44.36%	62.5%	44.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
GT	6.8%	44.36%	62.5%	37.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
ET	7.0%	46.89%	60.0%	85.0%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
ET	7.0%	46.89%	60.0%	27.9%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
ET	7.0%	50.00%	55.0%	90.0%	2014	Em 09/10	Yes	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%					
ET	7.0%	50.00%	55.0%	90.0%	2014	Em 09/10	Yes	Pre	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.83%					

GD: Capitalised share of repex / GT: Uncertainty Rate

	2014	2015	2016	2017	2018	2019	2020	2021
Cadent-EDE	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
Cadent-London	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
Cadent-WM	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
Cadent-NW	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
NGN	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
SGN - Scotland	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
SGN - Southern	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
WWU	50.00%	57.14%	64.29%	71.43%	78.57%	85.71%	92.86%	100.00%
NGGT (TO)	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
NGGT (SO)	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%

IOI Additional Income

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ENWL			1.6	1.5	1.5	1.5	1.5	1.4	1.5	1.4
NPgN			-0.7	-0.6	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5
NPgY			-0.9	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	-0.7
UKPN-EPN			-3.3	-3.3	-3.2	-3.1	-3.1	-2.9	-2.9	-2.7
UKPN-LPN			-2.4	-2.4	-2.2	-2.1	-2.2	-2.1	-1.9	-1.8
UKPN-SPN			-2.2	-2.4	-2.2	-2.1	-2.0	-1.9	-1.9	-1.8
SPD			-1.9	-1.8	-1.8	-1.7	-1.7	-1.6	-1.5	-1.4
SPMW			-2.1	-2.2	-2.0	-1.8	-1.8	-1.8	-1.6	-1.5
SSEH			0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
SSSES			0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3
WPD-EMID			7.1	7.0	6.2	6.3	6.2	6.5	6.8	6.6
WPD-WMID			6.5	6.5	6.3	6.4	6.6	6.8	6.7	6.8
WPD-SWALES			3.7	3.7	3.5	3.7	3.4	3.4	3.3	3.4
WPD-SWEST			5.4	5.4	5.4	5.3	5.3	5.3	5.3	5.6
Cadent-EDE	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3		
Cadent-London	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3		
Cadent-WM	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8		
Cadent-NW	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
NGN	3.1	3.0	3.2	3.2	3.0	3.0	3.0	3.0		
SGN - Scotland	2.1	2.0	2.0	2.1	2.1	2.1	2.0	2.0		
SGN - Southern	4.4	4.1	4.1	4.2	4.2	4.2	4.1	4.1		
WWU	1.4	1.4	1.4	1.3	1.3	1.3	1.4	1.4		
NGGT (TO)	-1.1	-1.1	-1.2	-1.6	-1.9	-1.9	-1.9	-1.9		
NGGT (SO)	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3		
NGET (TO)	15.2	16.3	15.6	14.9	13.0	12.6	11.3	9.8		
NGET (SO)	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9		
SPT	11.0	1.3	22.2	7.0	6.9	6.9	7.1	5.3		
SHET	4.8	5.0	5.7	3.8	2.9	2.9	2.9	2.8		

ET
Output incentives for each sector used to populate R5

Input for R5 - Output Incentives
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

FALSE	ED
FALSE	GD
FALSE	NGGT (TO)
FALSE	NGGT (SO)
FALSE	NGET (TO)
FALSE	NGET (SO)
FALSE	SPT
FALSE	SHET

ED
Broad measure of customer service
Interruptions-related quality of service
Incentive on connections engagement
Time to Connect Incentive
Losses discretionary reward scheme

GD
Broad Measure of Customer Satisfaction
Shrinkage Allowance Revenue Adjustment
Environment Emissions Incentive
Discretionary Reward Scheme
NTS Exit Capacity

NGGT (TO)
Stakeholder Satisfaction Output
Permits revenue adjustment

NGGT (SO)
Constraint management
Transportation Support Services
Shrinkage incentive
Residual balancing
Quality of demand forecasting
Greenhouse gas incentive
Maintenance incentive

NGET (TO)
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward

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

SPT
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

SHET
Network Reliability Incentive
Stakeholder Satisfaction Output
Sf6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

All incentive performance recognised in t+2 allowed revenue -

Time to Connect Incentive revenue adjustment	t+3
Losses discretionary reward scheme revenue adjustment	t+1

Bond or loan types
Fixed rate
Floating
Inflation-linked

Reference rate
Not applicable
LIBOR 3 month
LIBOR 6 month
EURIBOR 3 month
BOE base rate
RPI 12 month
CPI 12 month

Currency
GBP
EUR
USD
HKD
CAD

Rank
Senior
Junior

Hedged
Yes - fully hedged
Yes - partially hedged
No

Special features
Callable
Puttable

Counterparty
EIB
RBS
Barry Atkinson
Loval Estates
NHS Grampian
SSE Generation Ltd

Swap legs
Fixed rate
Floating

Version control
SHET
2020

Version:

Submission	Date submitted	Changes
Submission 1	31/08/2020	
Submission 2		
Submission 3		
Submission 4		
Submission 5		
Submission 6		
Submission 7		
Submission 8		
Submission 9		
Submission 10		

- [R1 - RoRE](#)
- [R2 - Revenue](#)
- [R3 - Rec to totex](#)
- [R4 - Totex](#)
- [R5 - Output Incentives](#)
- [R6 - Innovation](#)
- [R7 - Financing](#)
- [R7a - Financing input](#)
- [R8 - Net Debt](#)
- [R8a - Net Debt input](#)
- [R9 - RAV](#)
- [R10 - Tax](#)
- [R11 - Dividends](#)
- [R12 - Pensions](#)
- [R13 - Other Activities](#)

R1 - Return on Regulatory Equity (RoRE)
SHET
2020

Navigate

	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative to 2020	R110-1 period
RoRE based on Notional Gearing										
	31/08/2020									
Allowed Equity Return	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Totex outperformance	5.6%	3.9%	17.5%	10.6%	-0.7%	-5.8%	-2.7%	-6.8%	7.0%	7.0%
IOI Reward	1.2%	1.1%	0.9%	0.4%	0.3%	0.3%	0.3%	0.2%	2.5%	0.8%
Network Reliability Incentive	0.2%	0.0%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Stakeholder Satisfaction Output	0.1%	0.1%	0.1%	0.2%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%
SF6 Emissions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Environmental Discretionary Reward	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.0%	0.0%	0.1%	0.1%
Performance re offers of timely connection	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network Innovation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	14.0%	12.1%	25.7%	18.3%	7.0%	1.7%	4.8%	0.6%	10.3%	8.5%
Debt performance - at notional gearing	3.7%	2.4%	-1.6%	1.2%	3.0%	1.5%	1.1%	-0.3%	1.5%	1.2%
Tax performance - at notional gearing	-0.5%	-1.6%	-1.7%	-1.0%	0.2%	-0.6%	0.6%	0.3%	-0.5%	-0.3%
RoRE - Including financing and tax	17.2%	12.9%	22.4%	18.5%	10.2%	2.7%	6.4%	0.7%	11.3%	9.4%

RoRE based on Actual Gearing										
Allowed Equity Return	11.1%	11.7%	8.1%	7.6%	8.5%	8.9%	8.9%	8.2%	8.8%	8.7%
Totex outperformance	8.8%	6.6%	20.2%	11.5%	-0.9%	-7.4%	-3.5%	-7.9%	3.1%	1.0%
IOI Reward	1.9%	1.8%	1.0%	0.5%	0.3%	0.3%	0.3%	0.3%	0.6%	0.6%
Network Reliability Incentive	0.4%	0.1%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
Stakeholder Satisfaction Output	0.1%	0.2%	0.2%	0.2%	0.0%	0.1%	0.2%	0.0%	0.1%	0.1%
SF6 Emissions	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Environmental Discretionary Reward	0.0%	0.0%	0.0%	0.0%	0.5%	0.1%	0.0%	0.0%	0.1%	0.1%
Performance re offers of timely connection	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network Innovation	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	22.2%	20.3%	29.7%	19.9%	8.6%	2.2%	6.0%	0.7%	12.9%	10.6%
Debt performance - at actual gearing	5.6%	3.4%	-2.4%	1.2%	3.7%	1.9%	1.3%	-0.5%	1.7%	1.3%
Tax performance - at actual gearing	-0.8%	-2.7%	-2.0%	-1.0%	0.2%	-0.7%	0.7%	0.4%	-0.6%	-0.4%
RoRE - Including financing and tax	26.9%	20.9%	25.3%	20.1%	12.5%	3.4%	8.1%	0.6%	14.0%	11.5%

RoRE input values											
Input values provided in Em 09/10 prices											
Equity Return on the RAV	Em 09/10	21.5	25.5	35.5	47.4	56.1	61.2	64.4	68.2	311.7	380.0
Totex outperformance	Em 09/10	17.2	14.3	88.9	71.4	(5.8)	(51.0)	(25.0)	(66.0)	110.0	43.9
IOI Reward	Em 09/10	3.7	3.9	4.6	3.0	2.3	2.3	2.4	2.3	22.2	24.5
Network Reliability Incentive	Em 09/10	0.7	0.1	1.0	0.9	0.8	1.0	1.0	0.9	5.4	6.3
Stakeholder Satisfaction Output	Em 09/10	0.3	0.5	0.7	1.0	(0.1)	0.8	1.2	0.4	4.5	4.9
SF6 Emissions	Em 09/10	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.2	(0.3)	(0.1)
Environmental Discretionary Reward	Em 09/10	-	-	-	-	3.2	0.8	-	-	4.1	4.1
Performance re offers of timely connection	Em 09/10	-	-	-	-	-	-	-	-	-	-
Network Innovation	Em 09/10	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.1)	(0.5)	(0.6)
Penalties and fines	Em 09/10	-	-	-	-	-	-	-	-	-	-
RoRE - Operational performance	Em 09/10	43.2	44.2	130.6	123.7	56.5	15.1	43.8	5.9	457.0	463.0
Debt performance - at notional gearing	Em 09/10	11.5	8.9	(8.1)	8.0	23.7	13.4	10.1	(2.5)	67.5	64.9
Debt performance - impact of actual gearing	Em 09/10	(0.6)	(1.5)	(2.6)	(0.7)	0.9	(0.2)	(0.6)	(1.7)	(5.4)	(7.1)
Tax performance - at notional gearing	Em 09/10	(1.6)	(5.9)	(6.6)	(6.4)	1.3	(4.8)	5.2	3.1	(20.9)	(17.8)
Tax performance - impact of actual gearing	Em 09/10	-	(0.0)	(0.0)	(0.0)	-	(0.0)	0.0	-	(0.0)	(0.0)
RoRE - Including financing and tax	Em 09/10	52.4	45.6	111.2	124.5	82.4	23.4	58.5	4.8	498.2	503.0
NPV-neutral equity element of RAV	Em 09/10	307.7	364.5	507.5	676.7	801.7	874.8	920.4	975.0		
Equity RAV based on actual gearing	Em 09/10	194.6	218.0	440.3	621.1	660.1	689.8	725.3	832.5		

	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Cumulative to 2020	RIIO-1 period	Enduring Value Appendix in Commentary
	2014	2015	2016	2017	2018	2019	2020	2021				

Totex per the latest RRP submission

31/08/2020

Totex												
Latest Totex actuals/forecast		Em 09/10	149.6	284.5	435.7	376.8	338.2	263.0	273.8	373.8	2,120.6	2,494.5
Totex allowance including forecast allowed adjustments and uncertainty mechanisms		Em 09/10	201.0	352.4	667.5	544.7	326.3	174.7	203.7	274.4	2,470.3	2,744.7
Totex out(under)performance		Em 09/10	51.5	67.8	231.9	168.9	(11.9)	(88.3)	(70.3)	(99.4)	349.7	250.3
Funding Adjustment Rate (often referred to as 'sharing factor')		%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Customer share of out(under) performance		Em 09/10	25.7	33.9	115.9	84.4	(6.0)	(44.2)	(35.1)	(49.7)	174.8	125.1
NWD share of performance		Em 09/10	25.7	33.9	115.9	84.4	(6.0)	(44.2)	(35.1)	(49.7)	174.8	125.1
Enduring Value adjustments to Totex performance												
a Sole Use Entry and Exit		Em 09/10	(21.4)	(35.4)	(46.1)	(30.8)	5.5	(17.8)	(6.0)	(0.9)	(152.5)	(153.4)
b Pre Construction SWW		Em 09/10	4.4	(3.8)	(7.9)	4.8	(5.3)	(0.3)	4.0	4.1	(4.1)	(4.1)
c Volume Driver Outperformance		Em 09/10	-	-	-	-	-	4.3	22.8	5.4	26.9	22.3
d T2 expenditure relating to T1 outputs		Em 09/10	-	-	-	-	-	-	-	(22.7)	-	(22.7)
e T1 expenditure relating to T2 outputs		Em 09/10	-	-	-	-	-	-	-	28.9	-	28.9
f Potential close out SWW Allowance Adjustment		Em 09/10	-	-	-	-	-	-	-	(41.3)	-	(41.3)
Total enduring value adjustments		Em 09/10	(17.0)	(39.2)	(64.0)	(26.1)	0.3	(13.8)	20.0	(32.6)	(129.8)	(162.4)
Enduring Value: Customer share of performance		Em 09/10	(8.5)	(19.6)	(27.0)	(13.0)	0.1	(6.9)	10.0	(16.3)	(64.9)	(81.2)
Enduring Value: NWD share of performance		Em 09/10	(8.5)	(19.6)	(27.0)	(13.0)	0.1	(6.9)	10.0	(16.3)	(64.9)	(81.2)
Total out(under) performance (including enduring value adjustments)												
Customer share of performance		Em 09/10	17.2	14.3	88.9	71.4	(5.8)	(51.0)	(25.0)	(66.0)	110.0	43.9
NWD share of performance		Em 09/10	17.2	14.3	88.9	71.4	(5.8)	(51.0)	(25.0)	(66.0)	110.0	43.9
Total		Em 09/10	34.4	28.6	177.9	142.8	(11.7)	(102.1)	(50.1)	(132.1)	219.9	87.9

RI/S												
Latest Totex actuals/forecast		Em 09/10	174.5	338.5	523.8	461.6	430.9	345.4	368.8	513.7	2,643.5	3,157.1
Totex allowance including forecast allowed adjustments and uncertainty mechanisms		Em 09/10	234.5	419.2	802.6	669.0	415.7	229.4	274.3	377.0	3,044.8	3,421.8
Totex out(under)performance		Em 09/10	60.0	80.7	278.8	207.4	(15.2)	(116.0)	(94.4)	(136.6)	401.3	264.7
Funding Adjustment Rate (often referred to as 'sharing factor')		%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Customer share of out(under) performance		Em 09/10	30.0	40.3	139.4	103.7	(7.6)	(58.0)	(47.2)	(68.3)	200.7	132.4
NWD share of performance		Em 09/10	30.0	40.3	139.4	103.7	(7.6)	(58.0)	(47.2)	(68.3)	200.7	132.4
Enduring Value adjustments to Totex performance												
a Sole Use Entry and Exit		Em 09/10	(25.0)	(42.1)	(55.4)	(37.9)	7.0	(23.3)	(8.8)	(1.2)	(185.5)	(186.7)
b Pre Construction SWW		Em 09/10	5.1	(4.5)	(9.5)	5.8	(6.7)	(0.4)	5.4	5.7	(4.8)	0.9
c Volume Driver Outperformance		Em 09/10	-	-	-	-	-	5.6	30.4	7.4	36.1	43.5
d T2 expenditure relating to T1 outputs		Em 09/10	-	-	-	-	-	-	-	(31.2)	-	(31.2)
e T1 expenditure relating to T2 outputs		Em 09/10	-	-	-	-	-	-	-	39.7	-	39.7
f Potential close out SWW Allowance Adjustment		Em 09/10	-	-	-	-	-	-	-	(65.2)	-	(65.2)
Total enduring value adjustments		Em 09/10	(19.9)	(46.6)	(64.9)	(32.0)	0.3	(18.1)	27.0	(44.8)	(154.2)	(159.0)
Enduring Value: Customer share of performance		Em 09/10	(9.9)	(23.3)	(32.5)	(16.0)	0.2	(9.0)	13.5	(22.4)	(77.1)	(99.5)
Enduring Value: NWD share of performance		Em 09/10	(9.9)	(23.3)	(32.5)	(16.0)	0.2	(9.0)	13.5	(22.4)	(77.1)	(99.5)
Total out(under) performance (including enduring value adjustments)												
Customer share of performance		Em 09/10	20.1	17.0	106.9	87.7	(7.4)	(67.0)	(33.7)	(90.7)	123.6	32.8
NWD share of performance		Em 09/10	20.1	17.0	106.9	87.7	(7.4)	(67.0)	(33.7)	(90.7)	123.6	32.8
Total		Em 09/10	40.2	34.0	213.9	175.4	(14.9)	(134.0)	(67.5)	(181.4)	247.1	65.7

Totex Summary												
Total out(under) performance (including enduring value adjustments)												
Customer share of performance		Em 09/10	17.2	14.3	88.9	71.4	(5.8)	(51.0)	(25.0)	(66.0)	110.0	43.9
NWD share of performance		Em 09/10	17.2	14.3	88.9	71.4	(5.8)	(51.0)	(25.0)	(66.0)	110.0	43.9
Total		Em 09/10	34.4	28.6	177.9	142.8	(11.7)	(102.1)	(50.1)	(132.1)	219.9	87.9

IOI Additional Income												
Additional Income is Pre-tax for Fast Track companies and Post-tax for Slow Track												
IOI Additional Income per PCFM		Em 09/10	4.8	5.0	5.7	3.8	2.9	2.9	2.9	2.8	27.9	30.7
Corporation tax rate when recognised in allowed revenue		%	23%	23%	20%	20%	19%	19%	19%	19%	19%	19%
Post tax		Em 09/10	3.7	3.9	4.6	3.0	2.3	2.3	2.4	2.3	22.2	24.5

Em Nominal												
Financial Year Average RPI (RPI)		Index	1.167	1.190	1.202	1.228	1.274	1.313	1.347	1.374		

Totex												
Latest Totex actuals/forecast		Em nominal	174.5	338.5	523.8	461.6	430.9	345.4	368.8	513.7	2,643.5	3,157.1
Totex allowance including forecast allowed adjustments and uncertainty mechanisms		Em nominal	234.5	419.2	802.6	669.0	415.7	229.4	274.3	377.0	3,044.8	3,421.8
Totex out(under)performance		Em nominal	60.0	80.7	278.8	207.4	(15.2)	(116.0)	(94.4)	(136.6)	401.3	264.7
Funding Adjustment Rate (often referred to as 'sharing factor')		%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Customer share of out(under) performance		Em nominal	30.0	40.3	139.4	103.7	(7.6)	(58.0)	(47.2)	(68.3)	200.7	132.4
NWD share of performance		Em nominal	30.0	40.3	139.4	103.7	(7.6)	(58.0)	(47.2)	(68.3)	200.7	132.4
Enduring Value adjustments to Totex performance												
a Sole Use Entry and Exit		Em nominal	(25.0)	(42.1)	(55.4)	(37.9)	7.0	(23.3)	(8.8)	(1.2)	(185.5)	(186.7)
b Pre Construction SWW		Em nominal	5.1	(4.5)	(9.5)	5.8	(6.7)	(0.4)	5.4	5.7	(4.8)	0.9
c Volume Driver Outperformance		Em nominal	-	-	-	-	-	5.6	30.4	7.4	36.1	43.5
d T2 expenditure relating to T1 outputs		Em nominal	-	-	-	-	-	-	-	(31.2)	-	(31.2)
e T1 expenditure relating to T2 outputs		Em nominal	-	-	-	-	-	-	-	39.7	-	39.7
f Potential close out SWW Allowance Adjustment		Em nominal	-	-	-	-	-	-	-	(65.2)	-	(65.2)
Total enduring value adjustments		Em nominal	(19.9)	(46.6)	(64.9)	(32.0)	0.3	(18.1)	27.0	(44.8)	(154.2)	(159.0)
Enduring Value: Customer share of performance		Em nominal	(9.9)	(23.3)	(32.5)	(16.0)	0.2	(9.0)	13.5	(22.4)	(77.1)	(99.5)
Enduring Value: NWD share of performance		Em nominal	(9.9)	(23.3)	(32.5)	(16.0)	0.2	(9.0)	13.5	(22.4)	(77.1)	(99.5)
Total out(under) performance (including enduring value adjustments)												
Customer share of performance		Em nominal	20.1	17.0	106.9	87.7	(7.4)	(67.0)	(33.7)	(90.7)	123.6	32.8
NWD share of performance		Em nominal	20.1	17.0	106.9	87.7	(7.4)	(67.0)	(33.7)	(90.7)	123.6	32.8
Total		Em nominal	40.2	34.0	213.9	175.4	(14.9)	(134.0)	(67.5)	(181.4)	247.1	65.7

RI/S												
Latest Totex actuals/forecast		Em nominal	174.5	338.5	523.8	461.6	430.9	345.4	368.8	513.7	2,643.5	3,157.1
Totex allowance including forecast allowed adjustments and uncertainty mechanisms		Em nominal	234.5	419.2	802.6	669.0	415.7	229.4	274.3	377.0	3,044.8	3,421.8
Totex out(under)performance		Em nominal	60.0	80.7	278.8	207.4	(15.2)	(116.0)	(94.4)	(136.6)	401.3	264.7
Funding Adjustment Rate (often referred to as 'sharing factor')		%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
Customer share of out(under) performance		Em nominal	30.0	40.3	139.4	103.7	(7.6)	(58.0)	(47.2)	(68.3)	200.7	132.4
NWD share of performance		Em nominal	30.0	40.3	139.4	103.7	(7.6)	(58.0)	(47.2)	(68.3)	200.7	132.4
Enduring Value adjustments to Totex performance												
a Sole Use Entry and Exit		Em nominal	(25.0)	(42.1)	(55.4)	(37.9)	7.0	(23.3)	(8.8)	(1.2)	(185.5)	(186.7)
b Pre Construction SWW		Em nominal	5.1	(4.5)	(9.5)	5.8	(6.7)	(0.4)	5.4	5.7	(4.8)	0.9
c Volume Driver Outperformance		Em nominal	-	-	-	-	-	5.6	30.4	7.4	36.1	43.5
d T2 expenditure relating to T1 outputs		Em nominal	-	-	-	-	-	-	-	(31.2)	-	(31.2)
e T1 expenditure relating to T2 outputs		Em nominal	-	-	-	-	-	-	-	39.7	-	39.7
f Potential close out SWW Allowance Adjustment		Em nominal	-	-	-	-	-	-	-	(65.2)	-	(65.2)
Total enduring value adjustments		Em nominal	(19.9)	(46.6)	(64.9)	(32.0)	0.3	(18.1)	27.0	(44.8)	(154.2)	(159.0)
Enduring Value: Customer share of performance		Em nominal	(9.9)	(23.3)	(32.5)	(16.0)	0.2	(9.0)	13.5	(22.4)	(77.1)	(99.5)
Enduring Value: NWD share of performance		Em nominal	(9.9)	(23.3)	(32.5)	(16.0)	0.2	(9.0)	13.5	(22.4)	(77.1)	(99.5)
Total out(under) performance (including enduring value adjustments)												
Customer share of performance		Em nominal	20.1	17.0	106.9	87.7	(7.4)	(67.0)	(33.7)	(90.7)	123.6	32.8
NWD share of performance		Em nominal	20.1	17.0	106.9	87.7	(7.4)	(67.0)	(33.7)	(90.7)	123.6	32.8
Total		Em nominal	40.2	34.0	213.9	175.4	(14.9)	(134.0)	(67.5)	(181.4)	247.1	65.7

R5 - Output Incentives
SHET
2020

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast		
2014	2015	2016	2017	2018	2019	2020	2021		Cumulative to 2020	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 31/08/2020

	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10
a Network Reliability Incentive	0.9	0.1	1.2	1.2	0.9	1.2	1.2	1.2	1.2	6.7	7.8
b Stakeholder Satisfaction Output	0.3	0.7	0.8	1.3	(0.1)	1.0	1.5	0.5	0.5	5.6	6.1
c SF6 Emissions	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.2	0.2	(0.3)	(0.1)
d Environmental Discretionary Reward	-	-	-	-	4.00	1.0	-	-	-	5.0	5.0
e Performance re offers of timely connection	-	-	-	-	-	-	-	-	-	-	-
f	-	-	-	-	-	-	-	-	-	-	-
g Earned Incentive revenue	1.1	0.7	2.0	2.4	4.9	3.2	2.6	1.9	1.9	16.9	18.8

Additional Commentary

a
b
c
d
e
f
g

Post-tax Earned Incentives (Actuals may be updated once all incentives are determined)

Year tax paid when incentive recognised in allowed revenue. Select from dropdown in Column C

-
- t+0
- t+1
- t+2
- t+3

	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10
a Network Reliability Incentive	0.7	0.1	1.0	0.9	0.8	1.0	1.0	0.9	0.9	5.4	6.3
b Stakeholder Satisfaction Output	0.3	0.5	0.7	1.0	(0.1)	0.8	1.2	0.4	0.4	4.5	4.9
c SF6 Emissions	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.2	0.2	(0.3)	(0.1)
d Environmental Discretionary Reward	-	-	-	-	3.2	0.8	-	-	-	4.1	4.1
e Performance re offers of timely connection	-	-	-	-	-	-	-	-	-	-	-
f	-	-	-	-	-	-	-	-	-	-	-
g Post-Tax Earned Incentive revenue	0.9	0.5	1.6	2.0	4.0	2.6	2.1	1.5	1.5	13.7	15.2

	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10	Em 09/10
a Network Reliability Incentive	0.9	0.1	1.2	1.2	0.9	1.2	1.2	1.2	1.2	6.7	7.8
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	0.7	0.1	1.0	0.9	0.8	1.0	1.0	0.9	0.9	5.4	6.3
b Stakeholder Satisfaction Output	0.3	0.7	0.8	1.3	(0.1)	1.0	1.5	0.5	0.5	5.6	6.1
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	0.3	0.5	0.7	1.0	(0.1)	0.8	1.2	0.4	0.4	4.5	4.9
c SF6 Emissions	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.2	0.2	(0.3)	(0.1)
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.2	0.2	(0.3)	(0.1)
d Environmental Discretionary Reward	-	-	-	-	4.0	1.0	-	-	-	5.0	5.0
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	-	-	-	-	3.2	0.8	-	-	-	4.1	4.1
e Performance re offers of timely connection	-	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	-	-	-	-	-	-	-	-	-	-	-
f	-	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	-	-	-	-	-	-	-	-	-	-	-
g	-	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	20%	20%	19%	19%	19%	19%	19%	19%	19%		
Post tax	-	-	-	-	-	-	-	-	-	-	-

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	2014	2015	2016	2017	2018	2019
a Network Reliability Incentive	Em nominal	0.3	-	1.2	0.2	1.7	1.6	1.4	1.8
b Stakeholder Satisfaction Output	Performance Year	Pre-RIIO	Pre-RIIO	2014	2015	2016	2017	2018	2019
Em nominal	-	-	0.3	0.7	0.9	1.3	(0.1)	1.0	
c SF6 Emissions	Performance Year	Pre-RIIO	Pre-RIIO	2014	2015	2016	2017	2018	2019
Em nominal	-	-	(0.2)	(0.2)	(0.1)	(0.0)	0.0	0.0	
d Environmental Discretionary Reward	Performance Year	Pre-RIIO	Pre-RIIO	2014	2015	2016	2017	2018	2019
Em nominal	-	-	-	-	-	-	4.0	1.0	
e Performance re offers of timely connection	Performance Year	Pre-RIIO	Pre-RIIO	2014	2015	2016	2017	2018	2019
Em nominal	-	-	-	-	-	-	-	-	
f	Performance Year	Pre-RIIO	Pre-RIIO	2014	2015	2016	2017	2018	2019
Em nominal	-	-	-	-	-	-	-	-	
g	Performance Year	Pre-RIIO	Pre-RIIO	2014	2015	2016	2017	2018	2019
Em nominal	-	-	-	-	-	-	-	-	
Total Impact on Allowed Revenue	Em nominal	0.3	-	1.3	0.7	2.5	2.9	5.4	3.8

Additional Commentary

a
b
c
d
e
f
g

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)

Loans from other group companies (+ve)

Loans to other group companies (-ve)

Other amounts due to/(from) group companies per Balance Sheet

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

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. Less debt attributable to TIRG

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

Forecast new debt/refinancing

Regulatory Net Debt including forecast new debt/refinancing

Opening Regulatory Net Debt including forecast new debt/refinancing

Closing Regulatory Net Debt including forecast new debt/refinancing

Allocation of net debt (Per regulatory definition, Transmission companies only)

System operator allocation (transmission companies only)

Transmission or distribution allocation

Average Net Debt (per Regulatory Definition)

Equity RAV

Average RAV

Actual Regulatory Gearing

Notional Gearing

Gearing Ratio delta

NPV Neutral assumed Average Net Debt

NPV Neutral assumed Equity RAV

Actual Regulatory Gearing

Notional Gearing

Gearing Ratio delta

	Actuals 2014	Actuals 2015	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	
Opening Cash, short term deposits and overdrafts (per Balance Sheet)	(1.3)	(3.5)	(5.5)	(5.8)	(0.5)	-	-	-	
Closing Cash, short term deposits and overdrafts (per Balance Sheet)	(3.5)	(5.5)	(5.8)	(0.5)	-	-	-	-	
External borrowings, bonds, external loans and finance leases (+ve)	150.0	300.0	350.0	649.7	749.7	754.2	1,107.1	1,107.0	
Loans from other group companies (+ve)	313.1	613.1	1,063.1	1,063.1	1,063.1	1,063.1	963.1	930.0	
Loans to other group companies (-ve)	-	-	-	-	-	-	-	-	
Other amounts due to/(from) group companies per Balance Sheet	455.6	205.8	(204.4)	(113.7)	101.4	249.7	98.3	98.3	
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	915.2	1,113.4	1,202.9	1,598.6	1,914.2	2,067.0	2,168.5	2,135.4	
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. Less debt attributable to TIRG	(254.7)	(330.7)	(288.6)	(287.0)	(310.5)	(318.9)	(305.4)	(275.9)	
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	660.5	782.6	914.3	1,311.7	1,603.7	1,748.1	1,863.1	1,859.4	
Forecast new debt/refinancing	660.5	782.6	914.3	1,311.7	1,603.7	1,748.1	1,863.1	1,859.4	
Regulatory Net Debt including forecast new debt/refinancing	OK	OK	OK	OK	OK	OK	OK	OK	
Opening Regulatory Net Debt including forecast new debt/refinancing	510.3	660.5	782.6	914.3	1,311.7	1,603.7	1,748.1	1,863.1	
Closing Regulatory Net Debt including forecast new debt/refinancing	660.5	782.6	914.3	1,311.7	1,603.7	1,748.1	1,863.1	1,859.4	
Allocation of net debt (Per regulatory definition, Transmission companies only)									
System operator allocation (transmission companies only)	%	0%	0%	0%	0%	0%	0%	0%	
Transmission or distribution allocation	%	100%	100%	100%	100%	100%	100%	100%	
Average Net Debt (per Regulatory Definition)	Em nominal	585.4	721.6	848.5	1,113.0	1,457.7	1,675.9	1,805.6	1,861.3
Equity RAV	Em nominal	233.0	265.7	543.4	783.2	858.0	921.7	992.0	1,161.4
Average RAV	Em nominal	818.4	987.3	1,391.9	1,896.2	2,315.7	2,597.6	2,797.6	3,022.7
Actual Regulatory Gearing	%	71.5%	73.1%	61.0%	58.7%	62.9%	64.5%	64.5%	61.6%
Notional Gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Gearing Ratio delta	%	16.5%	18.1%	6.0%	3.7%	7.9%	9.5%	9.5%	6.6%
NPV Neutral assumed Average Net Debt	Em 09/10	489.1	592.0	687.5	882.7	1,121.5	1,254.2	1,320.1	1,334.1
NPV Neutral assumed Equity RAV	Em 09/10	194.6	218.0	440.3	621.1	660.1	689.8	725.3	832.5
Actual Regulatory Gearing	Em 09/10	683.7	809.9	1,127.8	1,503.8	1,781.5	1,944.0	2,045.4	2,166.6
Actual Regulatory Gearing	%	71.5%	73.1%	61.0%	58.7%	62.9%	64.5%	64.5%	61.6%
Notional Gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Gearing Ratio delta	%	16.5%	18.1%	6.0%	3.7%	7.9%	9.5%	9.5%	6.6%

		Actuals 2014	Actuals 2015	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Forecast 2020	Forecast 2021
RAV per latest published PCFM									
The latest published PCFM does not account for the impact of the reporting years tolex. This will be published in the forthcoming annual 31/08/2020									
Closing RAV per latest published PCFM	Em 09/10	726.0	967.3	1,418.2	1,762.9	1,986.8	2,092.4	2,161.8	2,230.3
Revised RAV - including forecast tolex, allowances and enduring value									
Revised adjusted RAV including forecast tolex, allowances and enduring value									
Opening RAV (before transfers)	Em 09/10	681.7	718.3	942.3	1,370.1	1,705.2	1,931.8	2,030.3	2,137.0
Transfers	Em 09/10			12.5					
Opening RAV (after transfers)	Em 09/10	681.7	718.3	954.9	1,370.1	1,705.2	1,931.8	2,030.3	2,137.0
Net additions (after disposals)	Em 09/10	86.9	286.6	496.4	422.2	316.8	209.0	222.9	250.2
Net additions (after disposals) - enduring value adjustment	Em 09/10	(7.7)	(17.6)	(24.3)	(11.7)	0.1	(9.6)	(9.0)	1.2
Total Net Additions	Em 09/10	79.2	269.0	472.1	410.5	317.0	199.5	213.9	251.4
Depreciation	Em 09/10	(42.6)	(45.3)	(58.0)	(77.5)	(92.9)	(103.5)	(110.0)	(116.2)
Depreciation - enduring value adjustment	Em 09/10		0.4	1.1	2.1	2.5	2.5	2.9	3.2
Total Depreciation	Em 09/10	(42.6)	(45.0)	(56.9)	(75.4)	(90.4)	(101.0)	(107.2)	(113.0)
[Input other adjustment]	Em 09/10								
[Input other adjustment]	Em 09/10								
[Input other adjustment]	Em 09/10								
Other adjustments	Em 09/10	-	-	-	-	-	-	-	-
Adjusted Closing RAV	Em 09/10	718.3	942.3	1,370.1	1,705.2	1,931.8	2,030.3	2,137.0	2,275.5
Total enduring value and other adjustments	Em 09/10	(7.7)	(17.3)	(23.2)	(9.6)	2.7	(7.0)	(6.2)	4.4
CHECK		TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	NA	NA
Year end RPI	Index	1,183	1,194	1,211	1,251	1,293	1,329	1,356	1,383
Financial Year Average RPI (RPI1)	Index	1,167	1,190	1,202	1,228	1,274	1,313	1,347	1,374
Index for Opening RAV conversion to nominal in yr 1	Index	1,154							
Adjusted Closing RAV	Em nominal	849.8	1,124.8	1,659.0	2,133.4	2,497.9	2,697.3	2,898.0	3,147.4
Cost of debt	annual real %	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.83%
Cost of equity	annual real %	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Notional gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Vanilla WACC	annual real %	4.76%	4.53%	4.33%	4.13%	3.98%	3.79%	3.71%	3.61%
NPV-neutral debt element of RAV	Em 09/10	376.0	445.5	620.3	827.1	979.8	1,069.2	1,125.0	1,191.6
NPV-neutral equity element of RAV	Em 09/10	307.7	364.5	507.5	676.7	801.7	874.8	920.4	975.0
NPV-neutral RAV return base	Em 09/10	683.7	809.9	1,127.8	1,503.8	1,781.5	1,944.0	2,045.4	2,166.6
Debt Return on RAV	Em 09/10	11.0	11.1	13.3	14.8	14.8	12.4	11.5	9.9
Equity Return on RAV	Em 09/10	21.5	25.5	35.5	47.4	56.1	61.2	64.4	68.2
Total return on RAV	Em 09/10	32.5	36.6	48.9	62.2	70.9	73.6	75.9	78.1
NPV-neutral debt element of RAV	Em nominal	438.7	529.9	745.8	1,015.8	1,248.4	1,403.9	1,515.4	1,637.3
NPV-neutral equity element of RAV	Em nominal	358.9	433.6	610.2	831.1	1,021.4	1,148.6	1,239.8	1,339.6
Adjusted NPV-neutral average RAV	Em nominal	797.7	963.5	1,356.0	1,846.9	2,269.8	2,552.5	2,755.2	2,976.9
Debt Return on RAV	Em nominal	12.8	13.2	16.0	18.2	18.9	16.3	15.5	13.6
Equity Return on NPV-neutral RAV	Em nominal	25.1	30.3	42.7	58.2	71.5	80.4	86.8	93.8
Total return on RAV	Em nominal	37.9	43.6	58.7	76.4	90.4	96.7	102.2	107.4

Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast
2014	2015	2016	2017	2018	2019	2020	2021

CT600 will not have been submitted for the current reporting year.
It is assumed the current tax charge per the statutory accounts will equal the tax liability in the forthcoming CT600, where this is 31/08/2020
This will be corrected / true-up in future years

Tax liability per latest submitted CT600 (pre-group relief)	Em nominal	10.4	15.1	27.3	21.2	3.0	12.6				
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Adjustments to remove non-regulated tax liability	Em nominal	0.5	1.1	1.8	3.2	1.7	3.0				
Tax on non-regulated activities	Em nominal										
(Insert adjustment as necessary)	Em nominal										
(Insert adjustment as necessary)	Em nominal										
(Insert adjustment as necessary)	Em nominal										
Non-regulated tax	Em nominal	0.5	1.1	1.8	3.2	1.7	3.0				

Other adjustments	Em nominal	0.1	-	0.3	0.1	0.5	0.6	1.0	0.7
Tax on output incentives	Em nominal	1.3	1.2	1.4	0.9	0.7	0.7	0.7	0.7
Tax on IOL	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	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)		
(Insert adjustment as necessary)	Em nominal								
(Insert adjustment as necessary)	Em nominal								
(Insert adjustment as necessary)	Em nominal								
(Insert new rows here as necessary)	Em nominal								
Total other adjustments	Em nominal	1.3	1.2	1.6	0.9	1.0	1.1	1.8	1.5

Forecast regulated tax liability (including impact of enduring value adjustments)	Em nominal	8.6	12.9	24.0	17.1	0.3	8.5	13.9	14.7
Adjusted forecast regulated tax liability with timing differences	Em nominal	8.6	12.9	24.0	17.1	0.3	8.5	12.1	13.2

Financial year average RPI	Index	1.167	1.190	1.202	1.228	1.274	1.313	1.347	1.374
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Adjusted/forecast regulated tax liability with timing differences	Em 09/10	7.4	10.8	19.9	13.9	0.3	6.5	9.0	9.6
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Tax out(under)performance at notional gearing	Em nominal	8.6	12.9	24.0	17.1	0.3	8.5	12.1	13.2
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Performance against allowance is impacted by deviating from notional levels of gearing

Notional Gearing	%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
Actual Gearing	%	71.5%	73.1%	61.0%	58.7%	62.9%	64.5%	64.5%	61.6%

Adjusted/forecast regulated tax liability with timing differences	Em nominal	8.6	12.9	24.0	17.1	0.3	8.5	12.1	13.2
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Adjustment to regulatory tax cost relating to variance from notional gearing	Em nominal	(0.1)	(0.3)	(0.5)	(0.1)	0.2	(0.0)	(0.1)	(0.4)
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Revised regulated tax liability for comparison against allowance	Em nominal	8.5	12.6	23.5	16.9	0.5	8.4	12.0	12.9
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Revised regulated tax liability for comparison against allowance	Em 09/10	7.3	10.6	19.5	13.8	0.4	6.4	8.9	9.4
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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 09/10	7.8	6.2	9.6	8.7	5.5	3.7	6.5	7.0
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Tax clawbacks	Em 09/10	-	-	-	-	-	-	4.1	2.0
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Net Tax Allowance	Em 09/10	7.8	6.2	9.6	8.7	5.5	3.7	10.6	9.1
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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 09/10	7.8	6.2	9.6	8.7	5.5	3.7	11.6	10.0
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Forecast tax clawbacks	Em 09/10	-	-	-	-	-	-	4.1	2.0
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Net forecast tax allowance	Em 09/10	7.8	6.2	9.6	8.7	5.5	3.7	15.7	12.1
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Reconciliation of forecast movement in allowance	Em 09/10	-	-	-	-	-	-	5.1	3.0
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Changes in corporation tax rates	Em 09/10							0.1	0.1
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Tax allowance retained within deadband	Em 09/10							5.0	2.9
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Other adjustments	Em 09/10	OK	OK	OK	OK	OK	OK	OK	OK
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Check	Em 09/10	OK	OK	OK	OK	OK	OK	OK	OK
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Out(under) performance

Regulated tax out(under) performance at actual gearing	Em 09/10	0.4	(4.6)	(10.4)	(5.2)	5.2	(2.7)	6.7	2.4
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Regulated tax out(under) performance at notional gearing	Em 09/10	0.5	(4.4)	(9.9)	(5.1)	5.1	(2.7)	6.8	2.7
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Impact on out(under) performance relating to deviating from notional levels of gearing	Em 09/10	(0.1)	(0.3)	(0.4)	(0.1)	0.1	(0.0)	(0.1)	(0.3)
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Tax impact of financing performance (at actual gearing)	Em nominal	2.4	1.5	(2.1)	1.5	5.0	2.8	2.0	(0.9)
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Tax impact of financing performance (at actual gearing)	Em 09/10	2.0	1.3	(1.8)	1.2	3.9	2.1	1.5	(0.7)
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Tax impact of financing performance (at notional gearing)	Em nominal	2.5	1.8	(1.6)	1.6	4.8	2.8	2.2	(0.6)
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Tax impact of financing performance (at notional gearing)	Em 09/10	2.1	1.5	(1.4)	1.3	3.8	2.1	1.6	(0.4)
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Tax impact of financing performance relating to deviating from notional levels of gearing	Em 09/10	(0.1)	(0.3)	(0.4)	(0.1)	0.1	(0.0)	(0.1)	(0.3)
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Licensee share of total pension deficit repair payment made for defined benefit scheme
Of which:
Established deficit element funded via specific allowances
Incremental deficit funded via totex

	Actuals 2014	Actuals 2015	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021
£m nominal 31/08/2020	2.1	2.1	1.0	1.0	0.6	-	-	-
£m nominal	2.1	2.1	1.0	1.0	0.6	-	-	-
£m nominal	-	-	-	-	-	-	-	-

Established deficit element funded via specific allowances

£m 09/10	1.8	1.7	0.9	0.8	0.5	-	-	-
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Established deficit (EDE) allowance as per PCFM
Less Pension Payment History Allowance (PPH)
Established deficit allowance less PPH

£m 09/10	0.5	0.5	1.5	1.5	1.5	2.7	2.1	-
£m 09/10	0.5	0.5	1.5	1.5	1.5	2.7	2.1	-
£m 09/10	-	-	-	-	-	-	-	-

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

£m
180.4
1,721.5

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

122.6
1,998.8

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

57.8
(277.9)

Licensee element of established deficit
Licensee element of Incremental deficit

18.6
(158.1)

