

**RIIO-2 Price Control Financial Model (PCFM)**

Electricity Distribution

Model Version

ED2.PCFM.SSES\_20241227.xlsx

Publication date

27/12/2024

Model key

Sample	Calculated value	Sample	Information and interface
Sample	Import	Sample	Fixed input value
Sample	Export	Sample	Ofgem annual update input
Sample	Named range	Sample	Other annual update input
Sample	Formula change in cells to the right	Sample	Input linked from annual update
Sample		Sample	Notes and instructions
		Sample	Check
		Sample	Row not currently used

Contents

<b>INTERFACE &gt;</b>		<b>COMPANY SPECIFIC INPUT SHEETS &gt;</b>
<a href="#">Cover</a>	Model key and content directory	<a href="#">ENWL</a>
<a href="#">UserInterface</a>	Model operation	<a href="#">NPgN</a>
<a href="#">Scenarios</a>	Scenarios operation	<a href="#">NPgY</a>
		<a href="#">WMID</a>
<b>INPUT SELECTION &gt;</b>		<a href="#">EMID</a>
<a href="#">Export</a>	Aggregation of DNO input tabs	<a href="#">SWALES</a>
<a href="#">MainInputs</a>	Arrangement of inputs for live model case	<a href="#">SWEST</a>
<a href="#">Legacy</a>	Arrangement of inputs for ED1 legacy values calculations	<a href="#">LPN</a>
		<a href="#">SPN</a>
<b>CALCULATION &gt;</b>		<a href="#">EPN</a>
<a href="#">Totex</a>	Totex allowance and actuals	<a href="#">SPD</a>
<a href="#">TIM</a>	Totex Incentive Mechanism and capitalisation	<a href="#">SEMYY</a>
<a href="#">Depn</a>	Regulatory depreciation	<a href="#">SSEH</a>
<a href="#">Return&amp;RAV</a>	RAV and return calculations	<a href="#">SSES</a>
<a href="#">TaxPools</a>	Tax pools and capital allowances	
<a href="#">Finance&amp;Tax</a>	Net debt, equity issuance, financing costs and tax	
<a href="#">ReturnAdj</a>	Un-linked module for calculating return adjustment mechanism	
<a href="#">Revenue</a>	Summary of calculated revenue	
<a href="#">AR</a>	Derivation of allowed revenue	
<b>INFLATION SHEETS &gt;</b>		
<a href="#">Annual Inflation</a>	Derivation of annual inflation rates and price indices	
<a href="#">Monthly Inflation</a>	Dataset and derivation of monthly inflation rates and price indices	
<b>ANNEX SHEETS &gt;</b>		
<a href="#">Checks</a>	Check sheet	

UserInterface

Model operation

Active Licensee select

SSES

Price base year (financial year ending)  
Check status

2021  
OK

Lists used in this tab

Source for "Active company" drop-down list

ENWL
NPgN
NPgY
WMID
EMID
SWALES
SWEST
LPN
SPN
EPN
SPD
SPMW
SSEH
SSES

14 Adjacent named range: m\_identity - key variable used across the model

SSES Adjacent named range: n\_identity - key variable used across the model

0 Adjacent named range: n\_groupidentity - used for AllOutput metadata

End of sheet







Selected Inputs		Company Name	SSS	Asset class	Asset													
14	Parameter	License Fee Unit	Term	Constant	Annual values	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
	PCFM year ending																	
<b>Legacy inputs for Incentives</b>																		
Broader Measure of Customer Service (€m real 2012/13 prices)																		
	Customer Satisfaction Survey term		€m 2012/13 price CS									0.1	1.3					
	Complaints metric term		€m 2012/13 price CH									-	-					
	Stakeholder engagement reward term		€m 2012/13 price SE									0.8	-					
Interruptions-Related Quality of Service (€m real 2012/13 prices)																		
	Performance on the number of supply interruptions and the duration of supply interrupts		€m 2012/13 price QZ									8.0	0.7					
	Performance on severe weather supply restoration		€m 2012/13 price QC									(0.0)	-					
	Performance on normal weather supply restoration		€m 2012/13 price QD									(0.1)	(0.1)					
Incentive on Connections Engagement (€m real 2012/13 prices)																		
	Incentive on Connections Engagement negative performance adjustment		€m 2012/13 price CEO									-	-					
Time To Connect (€m real 2012/13 prices)																		
	LVSSA Time to Quote term		€m 2012/13 price TQA									0.2	0.1					
	LVSSB Time to Quote term		€m 2012/13 price TQB									-	-					
	LVSSA Time to Connect term		€m 2012/13 price TCA									-	-					
	LVSSB Time to Connect term		€m 2012/13 price TCB									-	-					
<b>Legacy inputs for Passthrough</b>																		
Licence Fee adjustment																		
	Licence fee payments		€m nominal LFA									3.1	3.4					
	Licence fee allowance		€m 2012/13 price LFE									1.5	1.5					
Business Rates adjustment																		
	Business rates payments		€m nominal RBA									40.8	40.8					
	Business rates allowance		€m 2012/13 price RBE									40.5	40.5					
Transmission Connection Point Charges adjustment																		
	Pass-through Transmission Connection Point Charges incurred		€m nominal PTPA									17.1	10.0					
	Pass-through Transmission Connection Point Charges allowance		€m 2012/13 price PTFE									13.4	13.7					
Smart Meter Communication Licensee Costs adjustment																		
	Smart Meter Communication Licensee Costs incurred		€m nominal SMCA									3.5	3.8					
	Smart Meter Communication Licensee Costs allowance		€m 2012/13 price SMCE									-	-					
Smart Meter Information Technology Costs adjustment																		
	Smart Meter Information Technology Costs incurred		€m nominal SMIA									0.3	0.7					
	Smart Meter Information Technology Costs allowance		€m 2012/13 price SMIE									-	-					
Ring Fence Costs adjustment																		
	Ring Fence Costs incurred		€m nominal RFA									-	-					
	Ring Fence Costs allowance		€m 2012/13 price RFE									0.1	0.1					
Shetland Variable Energy Costs adjustment																		
	Shetland variable Energy Costs Actual incurred		€m nominal SECA									-	-					
	Shetland variable Energy Costs allowance		€m 2012/13 price SECE									-	-					
Shetland Extension Variable Energy Costs adjustment																		
	Shetland Extension Variable Energy Costs incurred		€m nominal SEVECA									-	-					
	Shetland Extension Variable Energy Costs allowance		€m 2012/13 price SEVECE									-	-					
Shetland New Energy Solution Residual Costs adjustment																		
	Shetland New Energy Solution Residual Costs incurred		€m nominal SNESRCA									-	-					
	Shetland New Energy Solution Residual Costs allowance		€m 2012/13 price SNESRCE									-	-					
Supplier of Last Resort adjustment																		
	Supplier of Last Resort Net Costs incurred		€m nominal SLRA									1.1	2.2					
Eligible Bad Debt adjustment adjustment																		
	Eligible Use of System Bad Debt Costs incurred		€m nominal EBD A									1.4	4.9	0.1				
	Recovered Bad Debt		€m nominal RBD									0.0	0.1	0.1				
COVID-19 Bad Debt term																		
	Aggregate value of provisional COVID-19 Bad Debt incurred		€m nominal PCBD									-	-					
	Credited Amounts by the Administrator or Liquidator		€m nominal RCBD									-	-					
	Aggregate value of COVID-19 Bad Debt incurred		€m nominal CBDA									-	-					

End of sheet













Legacy		Company select		Date range		Annual values												
SSE		SSE		OK														
Excesses:	Units	Constant	Annual values	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028		
PCPN year ending																		
Connections GS Failure Payments Adjustment	£m nominal	CGSRA																
<b>Legacy inputs for Incentives (LIP)</b>																		
Broader Measure of Customer Service	£m nominal	LBM										1.1	1.8					
Interruptions-Related Quality of Service	£m nominal	LIQ										13.0	1.0					
Incentive on Connections Engagement	£m nominal	LICE										-	-					
Time To Connect	£m nominal	LTTC										0.3	0.2					
<b>Legacy inputs for Passthrough (LPT)</b>																		
Licence Fee adjustment	£m nominal	LLF										1.5	1.5					
Business Rates adjustment	£m nominal	LRB										(13.8)	(20.6)					
Transmission Connection Point Charges adjustment	£m nominal	LTB										0.1	(11.5)					
Smart Meter Communication Licenses Costs adjustment	£m nominal	LSMC										4.5	4.5					
Smart Meter Information Technology Costs adjustment	£m nominal	LSMIT										0.4	0.8					
Ring Fences Costs adjustment	£m nominal	LRF										(0.2)	(0.2)					
Sheffield integrated plan adjustment	£m nominal	LSEC										-	-					
Sheffield Extension Variable Energy Costs adjustment	£m nominal	LSEVEC										-	-					
Sheffield New Energy Solution Residual Costs adjustment	£m nominal	LSNESRC										-	-					
Supplier of Last Resort Costs adjustment	£m nominal	LSLRA										1.5	2.4					
Eligible Bad Debt Costs adjustment	£m nominal	LEBD										2.0	6.6	(0.1)				
COVID-19 Bad Debt adjustment	£m nominal	LCBD										-	-					

End of sheet

Totex		Company select		SSES					
Parameter	Units	Constant							
PCFM year ending		31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028		

Totex

Allowed totex aggregated by sub-category

RIIO-2 Capitalisation Rate Allocation 1 allowances

Allowed load related capex	£m 20/21 prices	89.9	82.2	80.4	51.1	31.3
Allowed non-load related capex - asset replacement	£m 20/21 prices	88.9	112.2	114.8	132.4	113.5
Allowed non-load related capex - other	£m 20/21 prices	25.8	43.5	41.6	40.4	38.4
Allowed faults	£m 20/21 prices	40.9	42.7	42.9	41.9	41.9
Allowed tree cutting	£m 20/21 prices	17.3	19.1	17.4	17.0	17.4
Allowed 100% 'revenue pool' expenditure	£m 20/21 prices	17.3	18.4	18.1	17.6	17.7
Allowed controllable opex	£m 20/21 prices	136.8	145.8	143.1	139.6	141.2
<b>Total RIIO-2 capitalisation rate allocation 1 allowances</b>	<b>£m 20/21 prices</b>	<b>417.0</b>	<b>463.9</b>	<b>458.4</b>	<b>440.0</b>	<b>401.3</b>

RIIO-2 Capitalisation Rate Allocation 2 allowances

Allowed load related capex	£m 20/21 prices	3.4	39.1	40.1	74.2	99.9
Allowed non-load related capex - asset replacement	£m 20/21 prices	2.9	10.3	7.3	37.9	21.0
Allowed non-load related capex - other	£m 20/21 prices	1.9	3.7	1.7	1.7	1.5
Allowed faults	£m 20/21 prices	-	0.3	1.3	1.3	1.2
Allowed tree cutting	£m 20/21 prices	-	-	-	-	-
Allowed 100% 'revenue pool' expenditure	£m 20/21 prices	-	-	-	-	-
Allowed controllable opex	£m 20/21 prices	1.0	7.1	7.8	10.0	12.8
<b>Total RIIO-2 capitalisation rate allocation 2 allowances</b>	<b>£m 20/21 prices</b>	<b>9.0</b>	<b>60.5</b>	<b>58.1</b>	<b>125.1</b>	<b>136.5</b>

Total allowance

Total allowed load related capex	£m 20/21 prices	93.3	121.3	120.4	125.4	131.2
Total allowed non-load related capex - asset replacement	£m 20/21 prices	91.8	122.6	122.1	170.3	134.4
Total allowed non-load related capex - other	£m 20/21 prices	27.7	47.2	43.3	42.1	39.9
Total allowed faults	£m 20/21 prices	40.9	42.9	44.2	43.2	43.1
Total allowed tree cutting	£m 20/21 prices	17.3	19.1	17.4	17.0	17.4
Total allowed 100% 'revenue pool' expenditure	£m 20/21 prices	17.3	18.4	18.1	17.6	17.7
Total allowed controllable opex	£m 20/21 prices	137.8	152.9	150.9	149.6	154.0
<b>Total allowed totex</b>	<b>£m 20/21 prices</b>	<b>426.0</b>	<b>524.4</b>	<b>516.5</b>	<b>565.2</b>	<b>537.9</b>
Check		-	-	-	-	-

Actual totex

Note: the actuals data to be used is set by the user on the DNOInput tab. If the PCFM dataset is selected, then the actuals figures are equal to the allowance figures.

RIIO-2 Capitalisation Rate Allocation 1 actuals/forecast actuals

Data inputs for either forecast Actuals or Actuals are present?		1.0	1.0	1.0	1.0	1.0
Actual load related capex	£m 20/21 prices	37.2	54.5	76.9	63.8	79.2
Actual non-load related capex - asset replacement	£m 20/21 prices	91.6	100.1	139.8	128.2	95.3
Actual non-load related capex - other	£m 20/21 prices	15.0	13.5	26.4	34.4	31.2
Actual faults	£m 20/21 prices	50.0	50.0	43.8	38.3	36.7
Actual tree cutting	£m 20/21 prices	18.6	20.6	17.3	17.3	17.3
Actual 100% 'revenue pool' expenditure	£m 20/21 prices	17.0	13.4	19.0	18.9	16.2
Actual controllable opex	£m 20/21 prices	160.4	188.9	181.4	165.4	165.7
<b>Total RIIO-2 capitalisation rate allocation 1 actual totex</b>	<b>£m 20/21 prices</b>	<b>389.8</b>	<b>441.0</b>	<b>504.6</b>	<b>466.3</b>	<b>441.7</b>

RIIO-2 Capitalisation Rate Allocation 2 actuals/forecast actuals

Data inputs for either forecast Actuals or Actuals are present?		1.0	1.0	1.0	1.0	1.0
Actual load related capex	£m 20/21 prices	3.3	36.8	37.9	74.7	99.5
Actual non-load related capex - asset replacement	£m 20/21 prices	-	-	1.5	39.5	22.5
Actual non-load related capex - other	£m 20/21 prices	5.8	21.8	16.7	3.7	5.5
Actual faults	£m 20/21 prices	-	-	-	-	-
Actual tree cutting	£m 20/21 prices	-	-	-	-	-
Actual 100% 'revenue pool' expenditure	£m 20/21 prices	-	-	-	-	-
Actual controllable opex	£m 20/21 prices	0.0	3.0	3.3	8.1	10.8
<b>Total RIIO-2 capitalisation rate allocation 2 actual totex</b>	<b>£m 20/21 prices</b>	<b>9.2</b>	<b>61.7</b>	<b>59.4</b>	<b>125.9</b>	<b>138.2</b>

Totex

Company select SSES

Units

Parameter

Units

Constant

PCFM year ending

31 Mar 2023

31 Mar 2024

31 Mar 2025

31 Mar 2026

31 Mar 2027

31 Mar 2028

Total actual/forecast actual totex

Total actual load related capex	£m 20/21 prices	40.6	91.3	114.8	138.5	178.7
Total actual non-load related capex - asset replacement	£m 20/21 prices	91.6	100.1	141.3	167.7	117.8
Total actual non-load related capex - other	£m 20/21 prices	20.8	35.3	43.1	38.1	36.7
Total actual faults	£m 20/21 prices	50.0	50.0	43.8	38.3	36.7
Total actual tree cutting	£m 20/21 prices	18.6	20.6	17.3	17.3	17.3
Total actual 100% 'revenue pool' expenditure	£m 20/21 prices	17.0	13.4	19.0	18.9	16.2
Total actual controllable opex	£m 20/21 prices	160.4	192.0	184.6	173.4	176.5
Total actual totex	£m 20/21 prices	399.0	502.7	564.0	592.2	579.9
Check		-	-	-	-	-

End of sheet

Totex Incentive Mechanism (TIM)

Company select SSES

Units

Parameter

Units

Constant

PCFM year ending

31 Mar 2020 31 Mar 2024 31 Mar 2025 31 Mar 2026 31 Mar 2027 31 Mar 2028

TIM Efficiency Incentive

RIIO-2 capitalisation rate allocation 1 totex

RIIO-2 incentive strength	%		49.30%					
RIIO-2 Funding Adjustment Rate (often referred to as 'sharing factor')	%		50.70%					
Actual totex	£m 20/21 prices		389.8	441.0	504.6	466.3	441.7	
Less allowed totex	£m 20/21 prices		(417.0)	(463.9)	(458.4)	(440.0)	(401.3)	
Pre-TIM overspend (underspend)	£m 20/21 prices		(27.2)	(22.9)	46.2	26.2	40.3	
RIIO-2 Funding Adjustment Rate (often referred to as 'sharing factor')	%		50.70%	50.70%	50.70%	50.70%	50.70%	
Post-TIM overspend (underspend)	£m 20/21 prices		(13.8)	(11.6)	23.4	13.3	20.5	

RIIO-2 capitalisation rate allocation 2 totex

RIIO-2 incentive strength	%		49.30%					
RIIO-2 Funding Adjustment Rate (often referred to as 'sharing factor')	%		50.70%					
Actual totex	£m 20/21 prices		9.2	61.7	59.4	125.9	138.2	
Less allowed totex	£m 20/21 prices		(9.0)	(60.5)	(58.1)	(125.1)	(136.5)	
Pre-TIM overspend (underspend)	£m 20/21 prices		0.1	1.2	1.3	0.8	1.7	
RIIO-2 Funding Adjustment Rate (often referred to as 'sharing factor')	%		50.70%	50.70%	50.70%	50.70%	50.70%	
Post-TIM overspend (underspend)	£m 20/21 prices		0.07	0.59	0.64	0.40	0.88	

Post-TIM totex

RIIO-2 capitalisation rate allocation 1 totex

Allowed totex	£m 20/21 prices		417.0	463.9	458.4	440.0	401.3	
Post-TIM overspend (underspend)	£m 20/21 prices		(13.8)	(11.6)	23.4	13.3	20.5	
Post-TIM totex	£m 20/21 prices		403.2	452.3	481.8	453.3	421.8	

RIIO-2 capitalisation rate allocation 2 totex

Allowed totex	£m 20/21 prices		9.0	60.5	58.1	125.1	136.5	
Post-TIM overspend (underspend)	£m 20/21 prices		0.1	0.6	0.6	0.4	0.9	
Post-TIM totex	£m 20/21 prices		9.1	61.1	58.8	125.5	137.4	

Post-TIM capitalisation

RIIO-2 allocation 1 capitalisation

Post-TIM totex	£m 20/21 prices		403.2	452.3	481.8	453.3	421.8	
Capitalisation rate	%		65.00%	65.00%	65.00%	65.00%	65.00%	
Fast pot expenditure	£m 20/21 prices		141.1	158.3	168.6	158.7	147.6	
Slow pot expenditure	£m 20/21 prices		262.1	294.0	313.2	294.7	274.2	

RIIO-2 allocation 2 capitalisation

Post-TIM totex	£m 20/21 prices		9.1	61.1	58.8	125.5	137.4	
Capitalisation rate	%		85.00%	85.00%	85.00%	85.00%	85.00%	
Fast pot expenditure	£m 20/21 prices		1.4	9.2	8.8	18.8	20.6	
Slow pot expenditure	£m 20/21 prices		7.7	51.9	50.0	106.7	116.8	

Totex after capitalisation

Fast pot expenditure	£m 20/21 prices		142.5	167.5	177.4	177.5	168.2	
Slow pot expenditure	£m 20/21 prices		269.8	345.9	363.1	401.4	390.9	
Calculated output capitalisation rate	%		65.44%	67.38%	67.17%	69.34%	69.91%	

Additional income

RIIO-2 Business Plan Incentive (BPI)

Business Plan Incentive reward/penalty	£m 20/21 prices		2.3	-	-	-	-	
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End of sheet







Regulatory Depreciation		Currency: USD		Rate: 4.0%													2022				
Parameters		Units	Constants	Annual values		Check values		OK													
PCM year ending			31 Mar 2022	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028					
<b>SL depreciation calculation (RIO-1)</b>																					
Total applicable depreciation		€m 2021 prices		-	10.5	20.2	29.1	37.0	44.0	50.4	56.1	61.4	61.4	61.4	61.4	61.4					
31 Mar 1991	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1992	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1993	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1994	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1995	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1996	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1997	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1998	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1999	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2000	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2001	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2002	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2003	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2004	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2005	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2006	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2007	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2008	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2009	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2010	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2011	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2012	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2013	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2014	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2015	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2016	€m 2021 prices		243.2	-	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5					
31 Mar 2017	€m 2021 prices		253.4	-	-	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7					
31 Mar 2018	€m 2021 prices		261.8	-	-	-	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9					
31 Mar 2019	€m 2021 prices		255.6	-	-	-	-	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9					
31 Mar 2020	€m 2021 prices		250.0	-	-	-	-	-	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0					
31 Mar 2021	€m 2021 prices		248.4	-	-	-	-	-	-	6.4	6.4	6.4	6.4	6.4	6.4	6.4					
31 Mar 2022	€m 2021 prices		239.5	-	-	-	-	-	-	-	5.7	5.7	5.7	5.7	5.7	5.7					
31 Mar 2023	€m 2021 prices		237.6	-	-	-	-	-	-	-	-	5.3	5.3	5.3	5.3	5.3					
31 Mar 2024	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2025	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2026	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2027	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2028	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
<b>RIO-2 depreciation schedules</b>																					
Post-vesting asset life (RIO-2) (single input)	years		45																		
Annual SL depreciation factor (single input)	%			2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%					
Depreciation values applied (RIO-2)	€m 2021 prices			-	-	-	-	-	-	-	-	-	6.0	13.7	21.8	30.7					
<b>SL depreciation (RIO-2)</b>																					
Applicable SL depreciation profile	%			2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%	2.22%					
Total applicable depreciation	€m 2021 prices			-	-	-	-	-	-	-	-	-	6.0	13.7	21.8	30.7					
31 Mar 1991	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1992	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1993	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1994	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1995	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1996	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1997	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1998	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 1999	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2000	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2001	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2002	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2003	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2004	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2005	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2006	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2007	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2008	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2009	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2010	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2011	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2012	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2013	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2014	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2015	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2016	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2017	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2018	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2019	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2020	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2021	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2022	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2023	€m 2021 prices		-	-	-	-	-	-	-	-	-	-	-	-	-	-					
31 Mar 2024	€m 2021 prices		269.8	-	-	-	-	-	-	-	-	-	6.0	6.0	6.0	6.0					
31 Mar 2025	€m 2021 prices		345.9	-	-	-	-	-	-	-	-	-	7.7	7.7	7.7	7.7					
31 Mar 2026	€m 2021 prices		363.1	-	-	-	-	-	-	-	-	-	-	8.1	8.1	8.1					
31 Mar 2027	€m 2021 prices		401.4	-	-	-	-	-	-	-	-	-	-	-	8.9	8.9					
31 Mar 2028	€m 2021 prices		390.9	-	-	-	-	-	-	-	-	-	-	-	-	-					

End of sheet

## Return &amp; RAV

Company select SSES

Units

Parameter

Units

Constant

PCFM year ending

31 Mar 2028 31 Mar 2024 31 Mar 2025 31 Mar 2026 31 Mar 2027 31 Mar 2028

## Return

## Return base

Note: The "Return base" is calculated such that the net present value of the stream of depreciation and return flowing from a RAV addition is equal to the present value of the addition itself.

## Present value and closing of RAV

Vanilla WACC	annual real %	3.94%	4.10%	4.06%	4.08%	4.09%
Single year discount factor	scalar	0.962	0.961	0.961	0.961	0.961
Closing RAV	£m 20/21 prices	2,720.8	2,877.8	3,052.6	3,265.5	3,467.4
Discounted closing RAV	£m 20/21 prices	2,617.7	2,764.5	2,933.6	3,137.6	3,331.2

## NPV-neutral RAV return base

Opening RAV (after transfers)	£m 20/21 prices	2,641.5	2,720.8	2,877.8	3,052.6	3,265.5
Discounted closing RAV	£m 20/21 prices	2,617.7	2,764.5	2,933.6	3,137.6	3,331.2
NPV-neutral RAV return base	£m 20/21 prices	2,629.6	2,742.6	2,905.7	3,095.1	3,298.3

## Return on RAV

NPV-neutral RAV return base	£m 20/21 prices	2,629.6	2,742.6	2,905.7	3,095.1	3,298.3
Vanilla WACC	annual real %	3.94%	4.10%	4.06%	4.08%	4.09%
Return	£m 20/21 prices	103.5	112.5	117.9	126.1	134.9

## RAV

Note: The RAV is presented separate pre-vesting and post-vesting balances brought together to form a combined "Running total."

## Timing Inputs

Start of RIIO I	flag	-	-	-	-	-
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## Running total

Opening RAV balance brought forwards from pre RIIO-I	£m 20/21 prices	-	-	-	-	-
Opening RAV	£m 20/21 prices	2,641.5	2,720.8	2,877.8	3,052.6	3,265.5
Net additions (after disposals)	£m 20/21 prices	269.8	345.9	363.1	401.4	390.9
Depreciation	£m 20/21 prices	(190.5)	(188.9)	(188.4)	(188.5)	(189.0)
Closing RAV	£m 20/21 prices	2,720.8	2,877.8	3,052.6	3,265.5	3,467.4

## Post-vesting balance

Note: Post-vesting RAV opening balances are generated from calculations built up since vesting. Net additions (after disposals), depreciation and removals are calculated principally on the "Depn" sheet. Assets with non-standard depreciation policies applied or that are transferred to the RAV during the price control are also brought into the RAV here.

## Cost

Opening RAV balance brought forwards from pre RIIO-I	£m 20/21 prices	-	-	-	-	-
Opening balance brought forward (before transfers)	£m 20/21 prices	7,007.5	7,277.3	7,623.2	7,986.4	8,387.7
Opening balance brought forward (after transfers)	£m 20/21 prices	7,007.5	7,277.3	7,623.2	7,986.4	8,387.7
Net additions (after disposals)	£m 20/21 prices	269.8	345.9	363.1	401.4	390.9
Closing value carried forward	£m 20/21 prices	7,277.3	7,623.2	7,986.4	8,387.7	8,778.7

## Cumulative depreciation

Opening cumulative depreciation balance brought forwards from pre RIIO-I	£m 20/21 prices	-	-	-	-	-
Opening balance brought forward (before transfers)	£m 20/21 prices	4,342.3	4,532.8	4,721.7	4,910.1	5,098.6
Opening balance brought forward (after transfers)	£m 20/21 prices	4,342.3	4,532.8	4,721.7	4,910.1	5,098.6
Depreciation	£m 20/21 prices	190.5	188.9	188.4	188.5	189.0
Closing value carried forward	£m 20/21 prices	4,532.8	4,721.7	4,910.1	5,098.6	5,287.6

## Asset balance

Net value after regulatory depreciation	£m 20/21 prices	2,744.5	2,901.5	3,076.3	3,289.2	3,491.1
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## Metering Write Off

Metering write off	£m 20/21 prices	23.7	-	-	-	-
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## End of sheet

Tax Pools		Company select	SSES					
Parameter	Units	Constant						
PCFM year ending		31 Mar 2023	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
<b>Tax pools additions</b>								
<b>Note:</b> Actual totex is combined with other expenditure and allocated to tax pools. Each cost sub-category can have its own percentage split between each pool.								
<b>Price control timeline</b>								
Start of RIIO-2	flag			1	-	-	-	-
<b>Inflation line</b>								
Blended Real to nominal prices conversion factor	scalar			1.281	1.321	1.354	1.384	1.413
<b>Expenditure categories allocated to tax pools</b>								
<b>Note:</b> RIIO-1 tax pool allocation inputs for each totex sub-category, whereas RIIO-2 allocations are at totex level. This is why different calculation methods are required.								
<b>Actual/forecast actual totex</b>								
Actual load related capex	£m 20/21 prices			40.6	91.3	114.8	138.5	178.7
Actual non-load related capex - asset replacement	£m 20/21 prices			91.6	100.1	141.3	167.7	117.8
Actual non-load related capex - other	£m 20/21 prices			20.8	35.3	43.1	38.1	36.7
Actual faults	£m 20/21 prices			50.0	50.0	43.8	38.3	36.7
Actual tree cutting	£m 20/21 prices			18.6	20.6	17.3	17.3	17.3
Actual 100% 'revenue pool' expenditure	£m 20/21 prices			17.0	13.4	19.0	18.9	16.2
Actual controllable opex	£m 20/21 prices			160.4	192.0	184.6	173.4	176.5
Total actual/forecast actual totex	£m 20/21 prices			399.0	502.7	564.0	592.2	579.9
<b>Non-totex items</b>								
Non-controllable opex (to be added to "Revenue" Pool additions)	£m 20/21 prices			77.9	51.5	52.0	56.0	54.3
Costs associated with other revenue allowance	£m 20/21 prices			1.5	1.8	2.2	-	-
<b>Tax pool allocation &amp; additions</b>								
Allocation to "General" pool	%			3.80%	4.11%	4.43%	4.14%	3.73%
Allocation to "Special Rate" pool	%			27.29%	33.56%	36.60%	39.88%	44.51%
Allocation to "Deferred Revenue" pool	%			26.82%	24.54%	24.70%	24.24%	21.13%
Allocation to "Structures and Buildings" pool	%			0.74%	0.67%	0.83%	0.91%	0.67%
Allocation to "Revenue" pool	%			36.82%	33.13%	28.79%	25.78%	26.09%
Allocation to "Non Qualifying" pool	%			4.53%	3.99%	4.64%	5.04%	3.87%
Check				-	-	-	-	-
Additions to "General" pool	£m 20/21 prices			15.2	20.7	25.0	24.5	21.6
Additions to "Special Rate" pool	£m 20/21 prices			108.9	168.7	206.4	236.2	258.1
Additions to "Deferred Revenue" pool	£m 20/21 prices			107.0	123.3	139.3	143.6	122.5
Additions to "Structures and Buildings" pool	£m 20/21 prices			3.0	3.4	4.7	5.4	3.9
Additions to "Revenue" pool (including Non-totex items)	£m 20/21 prices			226.3	219.9	216.6	208.6	205.6
Additions to "Non Qualifying" pool	£m 20/21 prices			18.1	20.1	26.2	29.9	22.4
<b>Capital allowances</b>								
<b>Note:</b> Special, General and deferred revenue capital allowances are calculated for the tax allowance calculation.								
When "non-core" assets are transferred to the RAV to their tax book value is moved to the "Transfer" line								
<b>General pool</b>								
Capital allowance rate	%			18.00%	18.00%	18.00%	18.00%	18.00%
Opening balance brought forwards from RIIO-1	£m nominal			57.9	-	-	-	-
Opening balance brought forward	£m nominal			57.9	63.4	61.3	59.7	54.0
Revisions	£m nominal			-	(15.9)	(22.4)	(27.8)	(27.8)
Capex additions	£m nominal			19.4	27.3	33.9	34.0	30.6
Tax book value pre-depreciation	£m nominal			77.3	74.8	72.8	65.9	56.8
General pool capital allowance (reducing balance)	£m nominal			(13.9)	(13.5)	(13.1)	(11.9)	(10.2)
Closing balance carried forward	£m nominal			63.4	61.3	59.7	54.0	46.6
<b>Special Rates pool</b>								
Capital allowance rate	%			6.00%	6.00%	6.00%	6.00%	6.00%
Opening balance brought forwards from RIIO-1	£m nominal			793.9	-	-	-	-
Opening balance brought forward	£m nominal			793.9	877.3	976.5	1,088.5	1,214.8
Revisions	£m nominal			-	(61.3)	(98.1)	(123.0)	(143.8)
Capex additions	£m nominal			139.4	222.9	279.5	326.9	364.8
Tax book value pre-depreciation	£m nominal			933.3	1,038.8	1,158.0	1,292.4	1,435.8
Special Rates capital allowance (reducing balance)	£m nominal			(56.0)	(62.3)	(69.5)	(77.5)	(86.1)
Closing balance carried forward	£m nominal			877.3	976.5	1,088.5	1,214.8	1,349.7

Tax Pools		Company select	SSES					
Parameter	Units	Constant	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
<b>Deferred revenue pool</b>								
Capital allowance rate	%			2.22%	2.22%	2.22%	2.22%	2.22%
Opening balance brought forwards from RIIO-1	£m nominal			1,568.6	-	-	-	-
Deferred revenue expenditure pool capex additions during RIIO-1	£m nominal		1,933.1	-	-	-	-	-
Opening balance brought forward	£m nominal			1,568.6	1,659.6	1,773.0	1,907.9	2,048.4
Capex additions	£m nominal			137.0	163.0	188.6	198.7	173.2
Tax book value pre-depreciation	£m nominal			1,705.6	1,822.6	1,961.6	2,106.6	2,221.6
Deferred revenue expenditure capital allowance (straight line)	£m nominal			(46.0)	(49.6)	(53.8)	(58.2)	(62.0)
Closing balance carried forward	£m nominal			1,659.6	1,773.0	1,907.9	2,048.4	2,159.6
<b>Structures and Buildings pool</b>								
Capital allowance rate	%			3.00%	3.00%	3.00%	3.00%	3.00%
Opening balance brought forward	£m nominal			-	3.8	8.1	14.2	21.2
Capex additions	£m nominal			3.8	4.4	6.3	7.5	5.5
Tax book value pre-depreciation	£m nominal			3.8	8.2	14.4	21.7	26.8
Structures and Buildings capital allowance (straight line)	£m nominal			-	(0.1)	(0.2)	(0.4)	(0.7)
Closing balance carried forward	£m nominal			3.8	8.1	14.2	21.2	26.1
<b>Total capital allowances</b>								
General pool	£m nominal			13.9	13.5	13.1	11.9	10.2
Special Rates pool	£m nominal			56.0	62.3	69.5	77.5	86.1
Deferred revenue expenditure	£m nominal			46.0	49.6	53.8	58.2	62.0
Structures and Buildings pool	£m nominal			-	0.1	0.2	0.4	0.7
Capital allowances	£m nominal			115.9	125.5	136.6	148.0	159.0
End of sheet								

## Net debt

**Note:** Net debt is calculated to generate interest paid (for the tax calculation) and gearing levels (for equity issuance calculations).

"Core" net debt is distinct from "Non-core" net debt. Non-core net debt relates to assets held outside the main RAV and receiving a pre-tax income.

## Price control timeline

Start of RIIO-2	flag	1	-	-	-	-
RIIO-2 regearing period	flag	-	1	1	1	1

## Inflation line

Blended Real to nominal prices conversion factor	scalar	1.281	1.321	1.354	1.384	1.413
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## Core net debt

**Note:** The company opens the price control at its notionally geared level. Any equity issuance required to reach this level is not shown.

Equity issuance (if any) occurs at the start of the year and may be followed by transfers to or from non-core net debt (to equalise opening gearing levels across the company).

Start of year transfers may also include net debt accompanying non-core assets transferred to core RAV.

A sub-total is taken before tax and interest on in-year cash flow. This allows the calculation of interest on in-year cash flow to be solved analytically.

Opening balance brought forward (before equity issuance and transfers)	£m nominal	-	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)
Start of price control notional debt re-set	£m nominal	(1,892.3)	-	-	-	-
Equity issuance (excluding first year of price control)	£m nominal	-	-	-	-	-
Opening balance brought forward (after equity issuance and transfers)	£m nominal	(1,892.3)	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)
Add Recalculated base revenue (except tax allowance)	£m nominal	656.0	683.4	730.2	767.6	788.2
Add net impact of DARTs on core net debt	£m nominal	(10.9)	29.0	38.6	9.4	38.8
Less actual totex	£m nominal	(510.9)	(664.1)	(763.7)	(819.7)	(819.6)
Less non-controllable opex (aka pass-through-costs)	£m nominal	(99.8)	(68.0)	(70.4)	(77.5)	(76.7)
Less costs associated with other revenue allowances	£m nominal	(1.9)	(2.4)	(3.0)	-	-
Less dividends	£m nominal	(41.8)	(45.6)	(49.6)	(54.2)	(58.8)
Less equity issuance costs	£m nominal	(7.9)	-	-	-	-
Closing net debt (before tax and debt costs)	£m nominal	(1,909.5)	(2,086.6)	(2,321.3)	(2,623.1)	(2,884.6)
Less net interest paid (excluding principal inflation accretion)	£m nominal	(88.0)	(96.1)	(106.3)	(119.0)	(132.7)
Less net interest paid (principal inflation accretion)	£m nominal	(26.4)	(16.2)	(14.1)	(14.1)	(14.9)
Add tax allowance (including adjustment)	£m nominal	22.6	15.1	13.1	11.6	4.3
Less tax paid (including cash flow on revenue without a tax allowance)	£m nominal	(17.6)	(19.7)	(20.2)	(11.8)	(12.1)
Closing value	£m nominal	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)	(3,040.0)

## Total net debt

Opening total net debt (before equity issuance)	£m nominal	(1,892.3)	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)
Opening total net debt (after equity issuance)	£m nominal	(1,892.3)	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)

## Regearing

## Overall opening gearing

**Note:** Opening values are based on real opening RAV inflated by the previous years prices.

Opening total net debt (before equity issuance)	£m nominal	(1,892.3)	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)
Opening core RAV (after transfers)	£m nominal	3,153.8	3,484.3	3,801.9	4,133.3	4,519.9
Overall gearing at start of year (before equity issuance)	%	60.00%	57.94%	57.96%	59.24%	60.98%

## Start of price control notional regearing

**Note:** An allowance is given to cover the change in notional gearing from its level in the previous price control.

For transmission only, where the Pre-RIIO closing gearing is higher than the notional opening gear the notional gearing at the start of RIIO will be uplifted to reflect this difference.

Notional gearing	%	60.00%	60.00%	60.00%	60.00%	60.00%
End of RIIO-1 closing notional gearing	%	-	-	-	-	-
Start of RIIO-2 opening notional gearing	%	60.00%	-	-	-	-
Start of price control change in notional gearing	%	(5.00%)	-	-	-	-
Total opening regulatory assets (after transfers)	£m nominal	3,153.8	-	-	-	-
Movement in net debt for notional regearing change	£m nominal	(157.7)	-	-	-	-

## Equity issuance

**Note:** If opening overall gearing exceeds its target level beyond a given threshold, an equity issuance is triggered, bringing opening gearing back to its target level.

An allowance is calculated for the cost of raising this equity.

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Total opening regulatory assets (after transfers)	£m nominal	3,153.8	3,484.3	3,801.9	4,133.3	4,519.9	
Overall gearing at start of year (before equity issuance)	%	-	57.94%	57.96%	59.24%	60.98%	
Less target gearing for equity issuance	%	-	(60.00%)	(60.00%)	(60.00%)	(60.00%)	
Deviation from equity issuance target gearing	%	-	(2.06%)	(2.04%)	(0.76%)	0.98%	
Threshold deviation above target level	%	-	5.00%	5.00%	5.00%	5.00%	
Equity issuance threshold met	text	-	-	-	-	-	
Equity issuance	£m nominal	-	-	-	-	-	

## Start of year gearing equalisation between core and non-core net debt

**Note:** Movements in non-core cash flow allow core and non-core gearing levels to diverge within the year. Net debt transfers at the start of the year equalise levels of gearing across the company.

The overall gearing percentage is exported to the "NonCore" sheet to set their opening gearing to that level.

Net movements required to reach that level from their net debt brought forward generate a transfer from Core net debt.

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Opening total net debt (after equity issuance)	£m nominal	(1,892.3)	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)	
Total opening regulatory assets (after transfers)	£m nominal	3,153.8	3,484.3	3,801.9	4,133.3	4,519.9	
Overall gearing at start of year (after equity issuance)	%	60.00%	57.94%	57.96%	59.24%	60.98%	

## Financing costs

## Interest

## Forecast cost of debt

**Note:** The nominal cost of debt is calculated and adjusted for any portion indexed for inflation.

## Fixed rate debt

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Cost of debt	annual real %	3.04%	3.11%	3.13%	3.13%	3.14%	
RIO-2 forecast debt inflation (CPIH long-term)	annual %	2.00%	2.00%	2.00%	2.00%	2.00%	
Forecast cost of debt (fixed rate)	nominal annual %	5.10%	5.17%	5.19%	5.19%	5.20%	

## RPI index-linked debt

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Forecast debt inflation (RPI long-term)	annual %	3.00%	3.00%	3.00%	3.00%	3.00%	
Cost of debt (RPI index-linked)	annual real % (RPI)	2.04%	2.11%	2.13%	2.13%	2.14%	
RIO-2 near-term forecast debt inflation (RPI)	annual %	7.48%	3.64%	3.41%	3.21%	3.04%	
Forecast cost of debt (RPI index-linked)	nominal annual %	9.67%	5.82%	5.61%	5.41%	5.25%	

## CPIH index-linked debt

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Cost of debt (CPIH index-linked)	annual real % (CPIH)	3.04%	3.11%	3.13%	3.13%	3.14%	
RIO-2 near-term forecast debt inflation (CPIH)	annual %	5.55%	3.16%	2.49%	2.22%	2.11%	
Forecast cost of debt (CPIH index-linked)	nominal annual %	8.76%	6.37%	5.70%	5.42%	5.31%	

## Average net debt (except for interest and tax)

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Opening net debt	£m nominal	(1,892.3)	(2,018.8)	(2,203.4)	(2,448.7)	(2,756.4)	
Closing net debt (except for interest and tax)	£m nominal	(1,909.5)	(2,086.6)	(2,321.3)	(2,623.1)	(2,884.6)	
Average net debt (except for interest and tax)	£m nominal	(1,900.9)	(2,052.7)	(2,262.4)	(2,535.9)	(2,820.5)	
Average cost of debt applied (FY1 only)	nominal annual %	6.01%	5.47%	5.32%	5.25%	5.23%	

## Net interest received

## Fixed rate debt

	Units	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Fixed rate debt as a percentage of net debt	%	75.00%	75.00%	75.00%	75.00%	75.00%	
Average net debt (except for interest and tax) - fixed rate	£m nominal	(1,425.7)	(1,539.5)	(1,696.8)	(1,902.0)	(2,115.4)	
Forecast cost of debt (fixed rate)	%	5.10%	5.17%	5.19%	5.19%	5.20%	
Net interest received (fixed rate)	£m nominal	(72.7)	(79.6)	(88.1)	(98.8)	(110.1)	

Units

Parameter

Units

Constant

PCFM year ending

31 Mar 2023

31 Mar 2024

31 Mar 2025

31 Mar 2026

31 Mar 2027

31 Mar 2028

## RPI index-linked debt

RPI index-linked debt as a percentage of net debt	%		0.00%	0.00%	0.00%	0.00%	0.00%
Average net debt (except for interest and tax) - RPI index-linked	£m nominal		-	-	-	-	-
Forecast cost of debt (RPI index-linked)	%		9.67%	5.82%	5.61%	5.41%	5.25%

Net interest received (RPI index-linked)	£m nominal		-	-	-	-	-
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Principal inflation accretion on RPI index-linked debt	£m nominal		-	-	-	-	-
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## CPIH index-linked debt

CPIH index-linked debt as a percentage of net debt	%		25.00%	25.00%	25.00%	25.00%	25.00%
Average net debt (except for interest and tax) - CPIH index-linked	£m nominal		(475.2)	(513.2)	(565.6)	(634.0)	(705.1)
Forecast cost of debt (CPIH index-linked)	%		8.76%	6.37%	5.70%	5.42%	5.31%

Net interest received (CPIH index-linked)	£m nominal		(41.6)	(32.7)	(32.2)	(34.4)	(37.5)
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Principal inflation accretion on CPIH index-linked debt	£m nominal		(26.4)	(16.2)	(14.1)	(14.1)	(14.9)
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## Principal inflation accretion on index linked debt

Note: The principal inflation accretion from index linked debt is identified separately from other interest costs.

## RIIO-2 principal inflation accretion calculation

Net interest received (principal inflation accretion)	£m nominal		(26.4)	(16.2)	(14.1)	(14.1)	(14.9)
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## Total blended inflation accretion

Net interest received	£m nominal		(114.3)	(112.3)	(120.4)	(133.1)	(147.5)
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Net interest received (excluding principal inflation accretion)	£m nominal		(88.0)	(96.1)	(106.3)	(119.0)	(132.7)
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Net interest received (principal inflation accretion)	£m nominal		(26.4)	(16.2)	(14.1)	(14.1)	(14.9)
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Share of interest expense as principal inflation accretion (FYI only)	%		23.06%	14.45%	11.72%	10.58%	10.07%
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## Cost of raising equity

Note: If equity issuance is negative, then equity issuance costs are set to zero

First year of RIIO-2 (for start of price control regearing)	flag		1.0	-	-	-	-
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Start of price control change in notional gearing	£m nominal		(157.7)	-	-	-	-
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Issue or redeem equity	£m nominal		-	-	-	-	-
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Equity issuance with issuance costs allowed	£m nominal		157.7	-	-	-	-
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Equity issuance cost as percentage of new equity	%		5.00%	5.00%	5.00%	5.00%	5.00%
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Equity issuance cost	£m nominal		7.9	-	-	-	-
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Equity issuance cost (real prices) for use on Revenue sheet	£m 20/21 prices		6.2	-	-	-	-
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## Dividends

Note: Unlike interest, dividends are based on notional rather than modelled gearing levels.

Closing core RAV	£m nominal		3,484.3	3,801.9	4,133.3	4,519.9	4,900.4
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Assumed equity portion of RAV	%		40.00%	40.00%	40.00%	40.00%	40.00%
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Assumed dividends as percentage of notional equity portion of RAV	%		3.00%	3.00%	3.00%	3.00%	3.00%
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Notional dividends	£m nominal		41.8	45.6	49.6	54.2	58.8
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## Tax allowance

## Tax base

Note: The tax charge is calculated before tax on tax. Tax on tax is added after losses are taken into account.

Add recalculated base revenue (except tax allowance)	£m nominal		656.0	683.4	730.2	767.6	788.2
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Add net DART impact on core tax calculation	£m nominal		(0.6)	-	-	-	-
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Less net interest paid (excluding principal inflation accretion)	£m nominal		(88.0)	(96.1)	(106.3)	(119.0)	(132.7)
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Less net interest paid (principal inflation accretion)	£m nominal		(26.4)	(16.2)	(14.1)	(14.1)	(14.9)
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Less revenue tax pool additions	£m nominal		(289.8)	(290.5)	(293.3)	(288.8)	(290.6)
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Less capital allowances	£m nominal		(115.9)	(125.5)	(136.6)	(148.0)	(159.0)
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Profits attributable to corporation tax (before Tax Clawback)	£m nominal		135.4	155.1	180.0	197.7	191.0
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## Tax allowance

## Regulatory Tax losses

Tax losses brought forward from RII/O-I	£m nominal	-	-	-	-	-
Taxable losses brought forward	£m nominal	-	-	-	-	-
In-year taxable loss	£m nominal	-	-	-	-	-
Contributions to losses from clawback	£m nominal	-	-	-	-	-
Adjustment to losses from tax trigger	£m nominal	(67.5)	(109.7)	(140.7)	(162.7)	(178.1)
Profits attributable to corporation tax (before Tax Clawback)	£m nominal	67.5	109.7	140.7	162.7	178.1
Balance carried forward	£m nominal	-	-	-	-	-

## Tax allowance (before Tax Trigger adjustment)

Note: A "grossing-up factor" based on the infinite geometric progression of being taxed on tax is used to move the tax allowance from a post-tax to a pre-tax basis.

This can only be applied once tax losses have been taken into account.

Profits attributable to corporation tax (after taxable losses)	£m nominal	67.9	45.4	39.3	34.9	12.9
Corporation tax rate	%	25.00%	25.00%	25.00%	25.00%	25.00%
Corporation tax charge after losses	£m nominal	17.0	11.3	9.8	8.7	3.2
"Grossing-up" factor for tax on tax charge after losses	scalar	1.33	1.33	1.33	1.33	1.33
Tax allowance (before Tax Trigger adjustment)	£m nominal	22.6	15.1	13.1	11.6	4.3

## Tax allowance

Tax allowance (before Tax Trigger adjustment)	£m nominal	22.6	15.1	13.1	11.6	4.3
Additional allowance where tax trigger positive (over and above that used to offset clawback)	£m nominal	-	-	-	-	-
Tax allowance	£m nominal	22.6	15.1	13.1	11.6	4.3
Tax allowance adjustment	£m nominal	-	-	-	-	-
Tax allowance (including adjustment)	£m nominal	22.6	15.1	13.1	11.6	4.3
Tax allowance (real prices) for use on Revenue sheet	£m 20/21 prices	17.7	11.4	9.7	8.4	3.0
Tax allowance adjustment (real prices) for use on Revenue sheet	£m 20/21 prices	-	-	-	-	-

## Tax paid

## Tax base

Add recalculated base revenue (except tax allowance), incl add. income	£m nominal	656.0	683.4	730.2	767.6	788.2
Add net DART impact on tax calculation	£m nominal	(0.6)	-	-	-	-
Add tax allowance (including adjustment)	£m nominal	22.6	15.1	13.1	11.6	4.3
Overall net income of DRS	£m nominal	(10.3)	29.0	38.6	9.4	38.8
Less net interest paid (excluding principal inflation accretion)	£m nominal	(88.0)	(96.1)	(106.3)	(119.0)	(132.7)
Less net interest paid (principal inflation accretion)	£m nominal	(26.4)	(16.2)	(14.1)	(14.1)	(14.9)
Less revenue tax pool additions	£m nominal	(289.8)	(290.5)	(293.3)	(288.8)	(290.6)
Less capital allowances	£m nominal	(115.9)	(125.5)	(136.6)	(148.0)	(159.0)
Profits attributable to corporation tax	£m nominal	147.7	199.3	231.7	218.8	234.1

## Tax losses

Tax losses brought forward from RII/O-I	£m nominal	-	-	-	-	-
Taxable losses brought forward	£m nominal	-	-	-	-	-
In-year taxable loss	£m nominal	-	-	-	-	-
Contributions to losses from clawback	£m nominal	-	-	-	-	-
Adjustments to losses from tax trigger	£m nominal	(77.3)	(120.4)	(150.8)	(171.7)	(185.6)
Profits reduced by tax losses	£m nominal	77.3	120.4	150.8	171.7	185.6
Balance carried forward	£m nominal	-	-	-	-	-

## Tax paid

Profits attributable to corporation tax (after taxable losses)	£m nominal	70.4	78.8	81.0	47.1	48.5
Corporation tax rate	%	25.00%	25.00%	25.00%	25.00%	25.00%
Corporation tax charge after losses	£m nominal	17.6	19.7	20.2	11.8	12.1

**Tax trigger calculations**

**Tax trigger adjustment**

Tax liability allowance adjustments - driven by tax trigger events	£m 20/21 prices	(20.1)	(30.4)	(37.1)	(41.3)	(43.8)
Tax trigger deadband	£m 20/21 prices	2.6	2.7	2.5	2.2	1.8
Materiality threshold test passed?	text	TRUE	TRUE	TRUE	TRUE	TRUE
Tax trigger deadband value applied	£m 20/21 prices	2.6	2.7	2.5	2.2	1.8
Tax trigger adjustment	£m 20/21 prices	(17.6)	(27.7)	(34.6)	(39.2)	(42.0)

**Adjustment to losses**

Profit impact of tax trigger	£m nominal	(67.5)	(109.7)	(140.7)	(162.7)	(178.1)
Outstanding taxable losses (before tax trigger)	£m nominal	-	-	-	-	-
Taxable losses outstanding?	text	FALSE	FALSE	FALSE	FALSE	FALSE
Profit impact of tax trigger > outstanding taxable losses?	text	FALSE	FALSE	FALSE	FALSE	FALSE
Adjustment to losses from tax trigger	£m nominal	(67.5)	(109.7)	(140.7)	(162.7)	(178.1)

**Adjustment to tax allowance**

Profit impact of tax trigger (net of adjustment to losses)	£m nominal	-	-	-	-	-
Corporation tax rate	%	25.00%	25.00%	25.00%	25.00%	25.00%
"Grossing-up" factor for tax on tax charge after losses	scalar	1.33	1.33	1.33	1.33	1.33
Outcome tax trigger allowance	£m nominal	-	-	-	-	-

**Tax clawback calculations**

**Gearing level test**

Closing RAV	£m 20/21 prices	2,720.8	2,877.8	3,052.6	3,265.5	3,467.4
Real to nominal prices conversion factor (financial year end)	scalar	1.301	1.338	1.369	1.399	1.427
Adjusted net debt	£m nominal	1,803.1	1,750.8	1,754.9	1,760.0	1,465.6
Closing RAV	£m nominal	3,538.9	3,851.1	4,180.0	4,567.5	4,946.7
Actual gearing	%	50.95%	45.46%	41.98%	38.53%	29.63%
Notional gearing for "Tax clawback gearing level test"	%	65.00%	64.00%	63.00%	61.00%	60.00%
Gearing level test (actual gearing > notional gearing)	text	FALSE	FALSE	FALSE	FALSE	FALSE

**Positive benefit test**

Tax deductible net interest cost	£m nominal	74.4	75.3	73.3	74.5	75.3
Notional Interest	£m nominal	114.3	112.3	120.4	133.1	147.5
Positive benefit test (actual interest > notional interest)	text	FALSE	FALSE	FALSE	FALSE	FALSE

**Positive benefit for tax clawback**

Tax clawback applies?	text	FALSE	FALSE	FALSE	FALSE	FALSE
Positive benefit for tax clawback	£m nominal	-	-	-	-	-

End of sheet

Allowed revenue		Company select	SSES						
Units	Parameter	Units	Constant						
	PCFM year ending			31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028

#### Allowed revenue determination

Note: the RTNAt value calculated below is not linked to the "calculated revenue" formula in the "Revenue" tab. This is because the Return adjustment term (RTNAt) is determined after the end of the Price Control Period. After the end of the Price Control Period the Authority will undertake a review of Operational Performance and the RTNAt term will be determined. Subject to the Authority's direction, the RTNAt term as obtained in this tab will be linked to the RTNAt line of the "calculated revenue" formula in the "Revenue" tab.

#### RAV inputs

Notional gearing	%	G		60.0%	60.0%	60.0%	60.0%	60.0%
NPV-neutral RAV return base	£m 20/21 prices	RAVLt		2,629.6	2,742.6	2,905.7	3,095.1	3,298.3
Equity portion of NPV-neutral RAV	£m 20/21 prices	RAVLt * (1 - G)		1,051.8	1,097.1	1,162.3	1,238.0	1,319.3
Sum of NPV-neutral RAV values over the Price Control Period	£m 20/21 prices	$\sum_t$ RAVLt	14,671.4					
Notional gearing	£m 20/21 prices	G	60.0%					
Sum of NPV-neutral equity RAV values over the Price Control Period	£m 20/21 prices	$\sum_t$ RAVLt * (1 - G)	5,868.5					

#### Operational performance

Totex outperformance (operator share)	£m 20/21 prices			13.3	10.7	(23.4)	(13.3)	(20.7)
Output delivery incentives	£m 20/21 prices			(12.4)	(4.7)	1.6	6.5	11.3
Operational performance	£m 20/21 prices			0.9	6.0	(21.8)	(6.8)	(9.5)
Operational performance over the Price Control Period	annual real %	OPP	-0.53%					

#### Return adjustment determination

##### Return adjustment parameters

Threshold 1	annual real %	T1	3.0%
Threshold 2	annual real %	T2	4.0%
Adjustment rate 1	%	AR1	50.0%
Adjustment rate 2	%	AR2	90.0%

##### Return adjustment over the Price Control Period (OPP >= 0)

OPP >= 0	text	FALSE
Adjustment 1 (T1 < OPP <= T2)	%	0.00%
Adjustment 2 (OPP > T2)	%	0.00%
Return adjustment over the Price Control Period (OPP >= 0)	£m 20/21 prices	-

##### Return adjustment over the Price Control Period (OPP < 0)

OPP < 0	text	TRUE
Adjustment 1 (T1 < - OPP <= T2)	%	0.00%
Adjustment 2 (- OPP > T2)	%	0.00%
Return adjustment over the Price Control Period (OPP < 0)	£m 20/21 prices	-

#### Annual return adjustment determination

Note: The RTNAt term calculated below will be linked to the RTNAt line of "calculated revenue" in the "Revenue" tab after the end of the Price Control Period, following the Authority review of Operational Performance.

Return adjustment over the Price Control Period	£m 20/21 prices	RTNAt	-					
Return adjustment annual profiling percentages	%	$RAVLt * (1 - G) / \sum_t RAVLt * (1 - G)$		17.9%	18.7%	19.8%	21.1%	22.5%
Return adjustment	£m 20/21 prices	RTNAt		-	-	-	-	-

#### Outperformance after return adjustment (for information only)

Operational performance	£m 20/21 prices			0.9	6.0	(21.8)	(6.8)	(9.5)
Return adjustment	£m 20/21 prices	RTNAt		-	-	-	-	-
Operational performance after return adjustment	£m 20/21 prices			0.9	6.0	(21.8)	(6.8)	(9.5)
Operational performance over the Price Control Period	% annual real		-0.5%					
Return adjustment over the Price Control Period	% annual real		0.0%					
Outperformance after return adjustment over the Price Control Period	% annual real		-0.5%					

End of sheet

Revenue			Company select		SSSES					
Site	Parameter	Units	Constant	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028	
	PCFM year ending									
Recalculated base revenue										
Fast money		£m 20/21 prices	FM		142.5	167.5	177.4	177.5	168.2	
Depreciation		£m 20/21 prices	DPN		190.5	188.9	188.4	188.5	189.0	
Return		£m 20/21 prices	RTN		103.5	112.5	117.9	126.1	134.9	
Pass-through		£m 20/21 prices	PT		77.9	51.5	52.0	56.0	54.3	
<b>Base revenue</b>		<b>£m 20/21 prices</b>			<b>514.4</b>	<b>520.4</b>	<b>535.7</b>	<b>548.1</b>	<b>546.4</b>	
Return Adjustment (note: this row is not active. It will be linked to ReturnAdj for closeout)		£m 20/21 prices	RTNA		-	-	-	-	-	
Equity issuance costs		£m 20/21 prices	EIC		6.2	-	-	-	-	
Business plan incentive		£m 20/21 prices	BPI		2.3	-	-	-	-	
Output delivery incentive		£m 20/21 prices	ODI		(12.4)	(4.7)	1.6	6.5	11.3	
Other revenue allowances		£m 20/21 prices	ORA		1.3	1.6	2.0	-	-	
Directly Remunerated Services		£m 20/21 prices	DRS		0.5	-	-	-	-	
<b>Calculated revenue (before tax)</b>		<b>£m 20/21 prices</b>			<b>512.2</b>	<b>517.3</b>	<b>539.3</b>	<b>554.6</b>	<b>557.7</b>	
Tax allowance		£m 20/21 prices	TAX		17.7	11.4	9.7	8.4	3.0	
Tax allowance adjustment		£m 20/21 prices	TAXA		-	-	-	-	-	
<b>Calculated revenue</b>		<b>£m 20/21 prices</b>			<b>529.9</b>	<b>528.7</b>	<b>549.0</b>	<b>563.0</b>	<b>560.7</b>	
End of sheet										

Allowed revenue		Company select	SSES					
Units	Parameter	Units	Constant					
PCFM year ending			31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028

Note: This tab is a draft implementation for how adjustments to revenue will be calculated during the price control. It relies on a series of inputs that will be provided during the Annual Iteration Process.

#### Allowed revenue determination

##### Price control timeline

RIIO-2 year	text	1.0	1.0	1.0	1.0	1.0
Correction term periods	flag	1.0	1.0	1.0	1.0	-

##### Inflation line

Real to nominal prices conversion factor (splice index for RIIO-2)	scalar	1.281	1.321	1.354	1.384	1.413
Combined RPI-CPIH price index (financial year average) (aka Price Index term)	PIt	376.7	388.6	398.3	407.2	415.7

##### Importing EDI LAR terms

##### Legacy inputs for Allowed Revenue

Phased LMOD	£m nominal	LMOD	(2.9)	(3.1)	(3.3)	(3.5)	(3.7)
Inflation true up	£m nominal	LTRU	19.7	61.2	-	-	-
Correction factor	£m nominal	LK	(9.0)	-	-	-	-
Low Carbon Networks Fund	£m nominal	LCN	0.0	-	-	-	-
Connections GS Failure Payments Adjustment	£m nominal	LCGSRA	-	-	-	-	-

##### Legacy inputs for Incentives

Broader Measure of Customer Service	£m nominal	LBM	1.1	1.8	-	-	-
Interruptions-Related Quality of Service	£m nominal	LIQ	13.0	1.0	-	-	-
Incentive on Connections Engagement	£m nominal	LICE	-	-	-	-	-
Time To Connect	£m nominal	LTTC	0.3	0.2	-	-	-

##### Legacy inputs for Passthrough

Licence Fee adjustment	£m nominal	LLF	1.5	1.5	-	-	-
Business Rates adjustment	£m nominal	LRB	(13.8)	(20.6)	-	-	-
Transmission Connection Point Charges adjustment	£m nominal	LTB	0.1	(11.5)	-	-	-
Smart Meter Communication Licensee Costs adjustment	£m nominal	LSMC	4.5	4.5	-	-	-
Smart Meter Information Technology Costs adjustment	£m nominal	LSMIT	0.4	0.8	-	-	-
Ring Fences Costs adjustment	£m nominal	LRF	(0.2)	(0.2)	-	-	-
Shetland integrated plan adjustment	£m nominal	LSEC	-	-	-	-	-
Shetland Extension Variable Energy Costs adjustment	£m nominal	LSEVEC	-	-	-	-	-
Shetland New Energy Solution Residual Costs adjustment	£m nominal	LSNESRC	-	-	-	-	-
Supplier of Last Resort Costs adjustment	£m nominal	LSLR	1.5	2.6	-	-	-
Eligible Bad Debt Costs adjustment	£m nominal	LEBD	2.0	6.6	(0.1)	-	-
COVID-19 Bad Debt adjustment	£m nominal	LCBD	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	LAR	18.3	44.8	(3.4)	(3.5)	(3.7)

##### Allowed revenue

Calculated revenue	£m nominal	Rt x PI2020/21	678.6	698.5	743.3	779.3	792.5
Correction term	£m nominal	Kt	23.2	112.1	(195.2)	(73.1)	-
Forecasting penalty	£m nominal	FPt	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	LARt	18.3	44.8	(3.4)	(3.5)	(3.7)
Allowed revenue	£m nominal	ARt (part C)	720.1	855.4	544.8	702.6	788.7

##### Correction term

Allowed revenue (last year of RIIO-1, per RIIO-1 definition) (for use in Correction term)	£m nominal						
Allowed revenue (combining RIIO-1 and RIIO-2)	£m nominal	ARt (part F)	720.1	855.4	544.8	702.6	788.7
Recovered Revenue from Inputs	£m nominal		615.6	1,038.3	613.5	-	-
Recovered Revenue where no data input	£m nominal		-	-	-	702.6	788.7
Recovered Revenue	£m nominal	RRt	615.6	1,038.3	613.5	702.6	788.7
Revenue under/(over) recovery	£m nominal		104.6	(183.0)	(68.7)	-	-
Vanilla weighted average cost of capital	annual real %	WACCt	3.94%	4.10%	4.06%	4.08%	4.09%
Inflation (from year t to t+1)	annual %	PIt+1/PIt	3.16%	2.49%	2.22%	2.11%	
Nominal time value of money	annual nominal %	TVMt	7.22%	6.70%	6.37%	6.27%	
Correction Term	£m nominal	Kt	23.2	112.1	(195.2)	(73.1)	-

## Forecasting penalty

## Base Revenue forecasting penalty

Calculated base revenue (last year of RIIO-1, per RIIO-1 definition)	£m 20/21 prices							
Base revenue (RIIO-2 calculation)	£m 20/21 prices		514.4	520.4	535.7	548.1	546.4	
Base revenue (combining RIIO-1 and RIIO-2)	£m 20/21 prices		514.4	520.4	535.7	548.1	546.4	
Base Revenue (as published) from <i>Inputs</i>	£m 20/21 prices		541.8	548.6	544.1	-	-	
Base Revenue (as published) where no data input	£m 20/21 prices		-	-	-	548.1	546.4	
Base Revenue (as published)	£m 20/21 prices	BR*	541.8	548.6	544.1	548.1	546.4	
Base Revenue forecasting error	£m 20/21 prices		(27.4)	(28.2)	(8.4)	-	-	
Base Revenue Forecasting Penalty Adjustment	Scalar	BRFPt	1.00	1.00	1.00	1.00	1.00	
Over/undercollection percentage for penal rate adjustment	%							6%
Base Revenue forecasting error	Scalar		1.05	1.05	1.02	1.00	1.00	
Applicable BR penalty interest rate	%							1.15%

## Base Revenue Forecasting Penalty

£m nominal

BRFPt

-

-

## Recovered Revenue forecasting penalty

Allowed Revenue (as published) from <i>Inputs</i>	£m nominal		666.9	1,035.2	621.2	-	-	
Allowed Revenue (as published) where no data input	£m nominal		-	-	-	702.6	788.7	
Allowed Revenue (as published)	£m nominal	AR*	666.9	1,035.2	621.2	702.6	788.7	
Recovered Revenue forecasting error	£m nominal		(51.3)	3.1	(7.7)	-	-	
Recovered Revenue Forecasting Penalty Adjustment	Scalar	RRFPt	1.00	1.00	1.00	1.00	1.00	
Over/undercollection percentage for penal rate adjustment	%							6%
Allowed Revenue forecasting error	Scalar		1.08	1.00	1.01	1.00	1.00	
Applicable AR penalty interest rate	%							1.15%

## Recovered Revenue Forecasting Penalty

£m nominal

RRFPt

-

-

## Forecasting Penalty

FPt

-

-

## Annual Inflation

Parameter	Units	Constant	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
PCFM year ending							
Calendar year	year		2024	2025	2026	2027	2028
Last year of actual data	year	2024	4.1%	1.7%	1.9%	2.0%	2.0%
Last month of actual data	month	6					
First month of financial year	month	4					
First day of financial year	day	1					
RIO-2 real price base	year ending	31 Mar 2021					
Start of RIO-2	year ending	31 Mar 2024					

### Derivation of annual inflation rates and price indices

#### Financial year average price indices and inflation rates

Outturn/Forecast (financial year average inflation)	text		OUTTURN	FORECAST	FORECAST	FORECAST	FORECAST
Retail Prices Index (financial year average)	index value	RPIt	377.5	391.2	404.6	417.6	430.3
RPI inflation (financial year average)	annual %		7.48%	3.64%	3.41%	3.21%	3.04%
Consumer Prices Index incl. owner occupiers' housing costs (financial year average)	index value	CPIHt	129.9	134.0	137.3	140.4	143.3
CPIH inflation (financial year average)	annual %		5.55%	3.16%	2.49%	2.22%	2.11%
Combined RPI-CPIH price index (financial year average)	index value	PIt	376.7	388.6	398.3	407.2	415.7
Combined RPI-CPIH inflation (financial year average)	annual %		7.26%	3.16%	2.49%	2.22%	2.11%
Combined RPI-CPIH real to nominal prices conversion factor (financial year average)	scalar		1.281	1.321	1.354	1.384	1.413
Long term RPI inflation forecast	annual %	LRPIFt	3.00%	3.00%	3.00%	3.00%	3.00%
Long term CPIH inflation forecast	annual %	LCPIHt	2.00%	2.00%	2.00%	2.00%	2.00%

#### Financial year end price index

Outturn/Forecast (financial year start inflation)	text		OUTTURN	OUTTURN	FORECAST	FORECAST	FORECAST
Combined RPI-CPIH price index (financial year start)	index value		369.7	382.6	393.7	402.8	411.5
Outturn/Forecast (financial year end inflation)	text		OUTTURN	FORECAST	FORECAST	FORECAST	FORECAST
Combined RPI-CPIH price index (financial year end)	index value		382.6	393.7	402.8	411.5	419.7
Combined real to nominal prices conversion factor (financial year start)	scalar		1.257	1.301	1.338	1.369	1.399
Combined real to nominal prices conversion factor (financial year end)	scalar		1.301	1.338	1.369	1.399	1.427

#### Inflation forecasts for monthly rates forecasting

RPI inflation forecast (calendar year)	scalar	CYRPIFt	3.62%	3.48%	3.26%	3.08%	2.93%
RPI (financial year) forecast	annual %		8.18%	3.59%	3.43%	3.22%	3.05%
CPI inflation forecast (calendar year)	scalar	CYCPIHt	2.53%	2.57%	2.26%	2.11%	2.07%
CPI (financial year) forecast	annual %		6.11%	2.54%	2.50%	2.22%	2.11%

End of sheet







Monthly Inflation

Year-Month	End of month (used for embedded debt)	FYE	CPIH Outturn (CPIHm)	RPI Outturn (RPIm)	CPI % forecast	RPI % forecast	CPIH	RPI	PI <sub>m</sub>	
2022/08	31/08/2022	2023	121.8	121.8	345.2	7.30%	9.69%	121.8	121.8	345.2
2022/09	30/09/2022	2023	122.3	122.3	347.6	7.30%	9.69%	122.3	122.3	347.6
2022/10	31/10/2022	2023	124.3	124.3	356.2	7.30%	9.69%	124.3	124.3	356.2
2022/11	30/11/2022	2023	124.8	124.8	358.3	7.30%	9.69%	124.8	124.8	358.3
2022/12	31/12/2022	2023	125.3	125.3	360.4	7.30%	9.69%	125.3	125.3	360.4
2023/01	31/01/2023	2023	124.8	124.8	360.3	7.30%	9.69%	124.8	124.8	360.3
2023/02	28/02/2023	2023	126	126	364.5	7.30%	9.69%	126.0	126.0	364.5
2023/03	31/03/2023	2023	126.8	126.8	367.2	7.30%	9.69%	126.8	126.8	367.2
2023/04	30/04/2023	2024	128.3	128.3	372.8	7.30%	9.69%	128.3	128.3	372.8
2023/05	31/05/2023	2024	129.1	129.1	375.3	7.30%	9.69%	129.1	129.1	375.3
2023/06	30/06/2023	2024	129.4	129.4	376.4	7.30%	9.69%	129.4	129.4	376.4
2023/07	31/07/2023	2024	129	129	374.2	2.53%	3.63%	129.0	129.0	374.2
2023/08	31/08/2023	2024	129.4	129.4	376.6	2.53%	3.63%	129.4	129.4	376.6
2023/09	30/09/2023	2024	130.1	130.1	378.4	2.53%	3.63%	130.1	130.1	378.4
2023/10	31/10/2023	2024	130.2	130.2	377.8	2.53%	3.63%	130.2	130.2	377.8
2023/11	30/11/2023	2024	130	130	377.3	2.53%	3.63%	130.0	130.0	377.3
2023/12	31/12/2023	2024	130.5	130.5	379	2.53%	3.63%	130.5	130.5	378.6
2024/01	31/01/2024	2024	130	130	378	2.53%	3.63%	130.0	130.0	377.1
2024/02	29/02/2024	2024	130.8	130.8	381	2.53%	3.63%	130.8	130.8	379.4
2024/03	31/03/2024	2024	131.6	131.6	383	2.53%	3.63%	131.6	131.6	381.7
2024/04	30/04/2024	2025	132.2	132.2	385	2.53%	3.63%	132.2	132.2	383.5
2024/05	31/05/2024	2025	132.7	132.7	386.4	2.53%	3.63%	132.7	132.7	384.9
2024/06	30/06/2024	2025	133	133	387.3	2.53%	3.63%	133.0	133.0	385.8
2024/07	31/07/2024	2025				2.58%	3.48%	133.3	133.3	386.6
2024/08	31/08/2024	2025				2.58%	3.48%	133.6	133.6	387.4
2024/09	30/09/2024	2025				2.58%	3.48%	133.8	133.8	388.3
2024/10	31/10/2024	2025				2.58%	3.48%	134.1	134.1	389.1
2024/11	30/11/2024	2025				2.58%	3.48%	134.4	134.4	389.9
2024/12	31/12/2024	2025				2.58%	3.48%	134.7	134.7	390.7
2025/01	31/01/2025	2025				2.58%	3.48%	135.0	135.0	391.6
2025/02	28/02/2025	2025				2.58%	3.48%	135.3	135.3	392.4
2025/03	31/03/2025	2025				2.58%	3.48%	135.6	135.6	393.2
2025/04	30/04/2025	2026				2.58%	3.48%	135.8	135.8	393.9
2025/05	31/05/2025	2026				2.58%	3.48%	136.1	136.1	394.9
2025/06	30/06/2025	2026				2.58%	3.48%	136.4	136.4	395.7
2025/07	31/07/2025	2026				2.26%	3.26%	136.7	136.7	396.5
2025/08	31/08/2025	2026				2.26%	3.26%	136.9	136.9	397.2
2025/09	30/09/2025	2026				2.26%	3.26%	137.2	137.2	398.0
2025/10	31/10/2025	2026				2.26%	3.26%	137.4	137.4	398.7
2025/11	30/11/2025	2026				2.26%	3.26%	137.7	137.7	399.4
2025/12	31/12/2025	2026				2.26%	3.26%	138.0	138.0	400.2
2026/01	31/01/2026	2026				2.26%	3.26%	138.2	138.2	400.9
2026/02	28/02/2026	2026				2.26%	3.26%	138.5	138.5	401.7
2026/03	31/03/2026	2026				2.26%	3.26%	138.7	138.7	402.4
2026/04	30/04/2026	2027				2.26%	3.26%	139.0	139.0	403.2
2026/05	31/05/2026	2027				2.26%	3.26%	139.3	139.3	403.9
2026/06	30/06/2026	2027				2.26%	3.26%	139.5	139.5	404.7
2026/07	31/07/2026	2027				2.12%	3.09%	139.8	139.8	405.4
2026/08	31/08/2026	2027				2.12%	3.09%	140.0	140.0	406.1
2026/09	30/09/2026	2027				2.12%	3.09%	140.2	140.2	406.8
2026/10	31/10/2026	2027				2.12%	3.09%	140.5	140.5	407.5
2026/11	30/11/2026	2027				2.12%	3.09%	140.7	140.7	408.2
2026/12	31/12/2026	2027				2.12%	3.09%	141.0	141.0	408.9
2027/01	31/01/2027	2027				2.12%	3.09%	141.2	141.2	409.7
2027/02	28/02/2027	2027				2.12%	3.09%	141.5	141.5	410.4
2027/03	31/03/2027	2027				2.12%	3.09%	141.7	141.7	411.1
2027/04	30/04/2027	2028				2.12%	3.09%	142.0	142.0	411.8
2027/05	31/05/2027	2028				2.12%	3.09%	142.2	142.2	412.5
2027/06	30/06/2027	2028				2.12%	3.09%	142.5	142.5	413.3
2027/07	31/07/2027	2028				2.07%	2.94%	142.7	142.7	414.0
2027/08	31/08/2027	2028				2.07%	2.94%	143.0	143.0	414.7
2027/09	30/09/2027	2028				2.07%	2.94%	143.2	143.2	415.4
2027/10	31/10/2027	2028				2.07%	2.94%	143.4	143.4	416.1
2027/11	30/11/2027	2028				2.07%	2.94%	143.7	143.7	416.8
2027/12	31/12/2027	2028				2.07%	2.94%	143.9	143.9	417.5
2028/01	31/01/2028	2028				2.07%	2.94%	144.2	144.2	418.2
2028/02	29/02/2028	2028				2.07%	2.94%	144.4	144.4	419.0
2028/03	31/03/2028	2028				2.07%	2.94%	144.7	144.7	419.7

Input		Company select: SSES					
Parameter	Units	Constant					
PCFM year ending		31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026	31 Mar 2027	31 Mar 2028
Summary check status		OK					
Number of errors		-					
Totex and TIM							
Actual totex		TRUE	-	-	-	-	-
Allowed totex		TRUE	-	-	-	-	-
Totex subcategory allocations of Variant allowances sum to 100%		TRUE	-	-	-	-	-
Tax Pool							
Tax pool allocation & additions		TRUE	-	-	-	-	-
End of sheet							



