

Regulatory Financial Performance Report NGN

RIIO-2 start date (enter 2022 for 2021-22)	2022
Licensee	NGN
Sector	GD2
Reporting Year: (e.g. enter 2022 for 2021-22)	2025
Version (Number)	
Submitted Date:	

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

R1 - Return on Regulatory Equity (RoRE) NGN

2025

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

Navigate

1		
	Cumulative to 2025	RIIO-2 period

	RoRE based on Notional Gearing					
	Allowed Equity Return	%	4.52%	4.56%	5.28%	5.59%
	Totex outperformance	%	2.40%	2.09%	0.22%	-0.07%
а	Business Plan Incentive	%	0.13%	0.13%	0.13%	0.13%
b	Customer Satisfaction Survey ODI - (SpC 4.2)	%	0.15%	0.18%	0.17%	0.19%
С	Complaints metric ODI - (SpC 4.3)	%	0.00%	0.00%	0.00%	0.00%
d	Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	%	0.00%	0.00%	0.00%	0.00%
е	Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	%	0.00%	0.00%	0.00%	0.00%
f	Shrinkage Management ODI- (SpC 4.4)	%	-0.03%	0.05%	0.05%	0.04%
g	Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	%	0.00%	0.00%	0.00%	0.00%
ĥ		%	0.00%	0.00%	0.00%	0.00%
i		%	0.00%	0.00%	0.00%	0.00%
i	Network innovation input for RORE	%	-0.02%	-0.02%	-0.03%	-0.03%
ii	Carry-over Network innovation input for RORE	%	-0.02%	0.00%	0.00%	0.00%
iii	Strategic innovation input for RORE	%	0.00%	0.00%	0.00%	0.00%
iv	·	%	0.00%	0.00%	0.00%	0.00%
v		%	0.00%	0.00%	0.00%	0.00%
vi		%	0.00%	0.00%	0.00%	0.00%
vii		%	0.00%	0.00%	0.00%	0.00%
viii		%	0.00%	0.00%	0.00%	0.00%
	Penalties and fines (Other Activities)	%	-0.07%	-0.04%	-0.03%	-0.03%
	RoRE - Operational performance	%	7.07%	6.94%	5.79%	5.82%
	Debt performance - at notional gearing	%	5.00%	9.14%	6.09%	3,23%
	Tax performance - at notional gearing	%	0.46%	-0.28%	-0.90%	0.00%
	RoRE - including financing and tax	%	12.52%	15.79%	10.98%	9.04%
		. 0				2.3.70

12.52%	15.79%	10.98%	9.04%	9.23%		12.06%	11.48%
0.46%	-0.28%	-0.90%	0.00%		Ta	-0.19%	-0.15%
5.00%	9.14%	6.09%	3.23%	4.01%	De	5.85%	5.47%
7.07%	6.94%	5.79%	5.82%	5.21%		6.40%	6.15%
-0.07%	-0.04%	-0.03%	-0.03%	-0.03%		-0.04%	-0.04%
0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.009
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0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00
0.00%	0.00%	0.00%	0.00%	0.00%	Ī	0.00%	0.00
-0.02%	0.00%	0.00%	0.00%	0.00%	Ī	0.00%	0.00
-0.02%	-0.02%	-0.03%	-0.03%	-0.03%	Ī	-0.02%	-0.03
0.00%	0.00%	0.00%	0.00%	0.00%	Ī	0.00%	0.00
0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00
0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00
-0.03%	0.05%	0.05%	0.04%	0.04%		0.03%	0.03
0.00%	0.00%	0.00%	0.00%	0.00%	İ	0.00%	0.00
0.00%	0.00%	0.00%	0.00%	0.00%	İ	0.00%	0.00
0.00%	0.00%	0.00%	0.00%	0.00%	İ	0.00%	0.00
0.15%	0.18%	0.17%	0.19%	0.19%	Ī	0.17%	0.18
0.13%	0.13%	0.13%	0.13%	0.12%	Ī	0.13%	0.13
2.40%	2.09%	0.22%	-0.07%	-0.52%		1.14%	0.80
4.52%	4.56%	5.28%	5.59%	5.45%		4.99%	5.09

RoRE based on Actual Gearing

Allowed Equity Return	%	5.0%	4.9%	5.5%	5.8%	5.9%	5.3%	5.4%
Totex outperformance	%	2.7%	2.2%	0.2%	-0.1%	-0.6%	1.2%	0.9%
Business Plan Incentive	%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Customer Satisfaction Survey ODI - (SpC 4.2)	%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Complaints metric ODI - (SpC 4.3)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Shrinkage Management ODI- (SpC 4.4)	%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Carry-over Network innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Strategic innovation input for RORE	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines (Other Activities)	%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	7.8%	7.4%	6.0%	6.1%	5.6%	6.8%	6.6%
Debt performance - at actual gearing	%	5.7%	10.0%	6.4%	3.4%	4.3%	De 6.3%	5.9%
Tax performance - at actual gearing	%	0.5%	-0.4%	-0.9%	0.0%	0.0%	a: -0.2%	-0.2%
RoRE - including financing and tax	%	14.0%	17.1%	11.4%	9.4%	9.9%	12.9%	12.3%

RoRE input values Input values provided in £m 18/19 p

NPV-neutral equity RAV based on notional gearing Equity RAV based on actual gearing

Input values provided in £m 18/19 prices								
Equity Return on the RAV	£m 18/19	40.0	40.9	48.0	51.3	50.7	180.3	230.9
Totex outperformance	£m 18/19	21.2	18.7	2.0	(0.7)	(4.8)	41.3	36.5
Business Plan Incentive	£m 18/19	1.1	1.1	1.1	1.1	1.1	4.6	5.7
Customer Satisfaction Survey ODI - (SpC 4.2)	£m 18/19	1.4	1.6	1.6	1.7	1.7	6.3	8.0
Complaints metric ODI - (SpC 4.3)	£m 18/19	-	-	-	-	-	-	-
Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	£m 18/19	-	-	-	-	-	-	-
Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	£m 18/19	-	-	-	-	-	-	-
Shrinkage Management ODI- (SpC 4.4)	£m 18/19	(0.3)	0.4	0.4	0.4	0.3	1.0	1.3
Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
Network innovation input for RORE	£m 18/19	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.8)	(1.2)
Carry-over Network innovation input for RORE	£m 18/19	(0.1)	-	-	-	-	(0.1)	(0.1)
Strategic innovation input for RORE	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
	£m 18/19	-	-	-	-	-	-	-
Penalties and fines (Other Activities)	£m 18/19	(0.6)	(0.4)	(0.3)	(0.3)	(0.2)	(1.5)	(1.7)
RoRE - Operational performance	£m 18/19	62.6	62.3	52.6	53.4	48.5	230.9	279.4
Debt performance - at notional gearing	£m 18/19	44.3	82.1	55.3	29.7	37.2	211.3	248.6
Debt performance - impact of actual gearing	£m 18/19	1.1	2.4	0.6	(0.0)	0.2	4.0	4.3
Tax performance - at notional gearing	£m 18/19	4.0	(2.5)	(8.2)	(0.0)	0.1	(6.7)	(6.6)
Tax performance - impact of actual gearing	£m 18/19	(0.2)	(0.4)	(0.2)	0.0	(0.1)	(0.8)	(0.9)
RoRE - including financing and tax	£m 18/19	111.7	143.8	100.2	83.1	86.0	438.8	524.7

 £m 18/19
 885.1
 898.3
 908.7
 918.6
 929.9

 £m 18/19
 797.1
 841.3
 879.8
 880.7
 864.6

OFFICIAL-InternalOnly

2025

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

			2022	2023	2024	2025	2026	1
			2021/22	2022/23	2023/24	2024/25	2025/26	1
Reconciliation: Regulated Network Revenue to Accounts								
Notice to Account								
Allowed Revenue - per latest published PCFM								
Calculated revenue (as published)	Rt* x PIt* / PI2018/19	£m nominal	430.7	566.2	571.8	560.4		JS: Lir
AIP adjustment term (as published)- not applicable to ED sector	ADJt*	£m nominal	- 450.7	23.3	(7.7)	(42.5)		GD2 P
Adjusted revenue (as published)	ADJRt*	£m nominal	430.7	589.6	564.1	518.0	-	ODZ I
Legacy Allowed Revenue	LARt	£m nominal	(13.8)	10.8	0.1	0.8		
K Correction Factor	Kt	£m nominal	0.2	0.4	4.4	5.4		
Forecasting penalty (ED only)	FPt	£m nominal	_	-	-	-		
Allowed Network Revenue	ARt	£m nominal	417.2	600.7	568.7	524.2	-	
(Under) / Over recovery		£m nominal	(0.4)	(4.3)	(5.1)	(2.2)	-	
								-
Collected Regulated Network Revenue (per latest PCFM)	RRt	£m nominal	416.9	596.4	563.6	521.9		2026-
							•	_
Other Turnover Items								10 T.
Strategic Innovation Fund (SIF) payments received from TO		£m nominal						JS: I h
Legacy Metering Equipment charges		£m nominal	1.0	1 1	1 5	1.2		RIIO-2
Directly Remunerated Services revenue Network Asset Secondary Deliverables incentive/penalty		£m nominal £m nominal	1.0	1.1	1.5	1.3		
Charging outside the Distribution Services Area (Out of Area Charg	00)	£m nominal						-
De Minimis Business of the licensee	es)	£m nominal						
Other consented activities		£m nominal	(0.0)	(0.0)				
Data Services revenue		£m nominal	(0.0)	(0.0)				-
SOLR		£m nominal	(0.8)	(95.9)	(26.0)	(0.8)		
Total Other Turnover Items		£m nominal	0.1	(94.8)	(24.5)	0.5	-	
Other adjustments release list								
Other adjustments - please list RDEC income		£m nominal	_	2.8		1.1		
Shipper Bad Debt (Invoiced value vs Recovered)		£m nominal	4.3	0.0	(1.0)	(0.0)		
[Input description]		£m nominal	113	0.0	(110)	(0.0)		
[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal						
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[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal						
[Input description]		£m nominal	4.5	2.0	(4.6)			4
Total other adjustments		£m nominal	4.3	2.9	(1.0)	1.1	-	
Reconciled total revenue		£m nominal	421.3	504.5	538.1	523.5	-	
Turnover as per Profit and Loss (Stat Accounts)		£m nominal	421.3	504.5	538.1	523.6		
Check			OK	OK	OK	OK	OK	
								*

Reconciliation: Regulated Network Profit to Statutory Accounts Actuals Actuals Actuals Actuals N/A 504.5 523.6 Turnover/Revenue as per Statutory Accounts £m nominal 421.3 538.1 596.4 Collected Regulated Network Revenue £m nominal 416.9 563.6 521.9 To be Operating Costs, Pensions and Other Costs as per Statutory Accounts (excluding depreciation & ar £m nominal 181.1 203.1 195.6 209.9 Reconciliation Total Costs not related to the price control Regulated business (excluding depreciation & amortisal £m nominal 0.8 95.9 26.0 0.8 Atypical costs adjustment (reported on cash basis) £m nominal Total Operating Costs as reported in the latest RRP submission (excluding depreciation & amortisa 181.9 299.0 221.7 210.7 £m nominal £m nominal ok Difference ok ok ok ok 342.5 Earnings/ Operating Profit (EBITDA) per Statutory Accounts £m nominal 240.2 301.4 313.7 Operating Profit related to Regulated business £m nominal 234.9 297.4 342.0 311.2 Depreciation and Amortisation costs as per Statutory Accounts £m nominal 87.6 89.3 93.5 98.9 Reconciliation Costs not related to the price control Regulated business Depreciation, amortisation related to capex adjustments £m nominal Other [Input description, add additional rows as required] £m nominal Total Adjustments £m nominal Total Depreciation and Amortisation Costs related to the Regulated business 87.6 89.3 93.5 98.9 £m nominal Earnings before Interest and Taxes (EBIT) per Statutory Accounts 152.6 212.1 249.0 214.8 £m nominal 147.3 248.5 Operating Profit before Interest and Taxes related to Regulated business £m nominal 208.1 212.3 Net Interest as per Statutory Accounts 79.2 27.9 48.5 £m nominal 54.6 67.3 60.3 Net Interest Per Regulatory (RIIO-2) Definition £m nominal 51.4 78.8 60.4 67.6 27.7 50.8 11.9 Difference £m nominal 5.7 0.4 Tax as per Statutory Accounts 126.9 27.3 47.0 34.7 £m nominal Less Deferred Taxes (104.4)(11.3)(6.4)(4.6)£m nominal Tax as per Statutory Accounts (net of deferred taxes) 22.5 16.0 40.6 30.2 £m nominal Tax related to Regulated business £m nominal 21.4 25.0 42.6 36.7 42.0 Difference £m nominal 1.2 9.0 2.0 6.5 42.0

Supporting Comments/Narrative	
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	1

Net Profit as per Statutory Accounts

Difference

Net Profit related to Regulated business

£m nominal

£m nominal

£m nominal

156.9

104.4

52.5

(53.5)

74.6

128.1

153.5

145.5

8.0

125.4

115.2

10.2

(67.3)

42.4

(109.7)

		Actuals	Actuals	Actuals	Actuals	Forecast	
		2022	2023	2024	2025	2026	Cumulative to 2025
Fotex per the latest PCFM In this section, rows 13-99 do not apply to ESO		2021/22	2022/23	2023/24	2024/25	2025/26	
Capitalisation 1 totex (excluding repex) Latest Totex actuals/forecast	£m 18/19	100.3	121.4	124.1	120.2	150.6	503.2
Totex allowance Totex out(under)performance	£m 18/19 £m 18/19	108.3 145.3 37.0	121.4 147.3 25.8	134.1 141.7 7.6	139.3 140.7	150.6 133.2 (17.4)	575.0 71.8
Funding Adjustment Rate (often referred to as 'sharing factor')	%	51.00%	51.00%	51.00%	51.00%	51.00%	
Customer share of out(under) performance NWO share of performance	£m 18/19 £m 18/19	18.9 18.1	13.2	3.9 3.7	0.7	(8.9) (8.5)	36.6 35.2
Enduring Value adjustments to Totex performance [Cross Price Control] [Other Enduring Value adjustment]	£m 18/19 £m 18/19						
[other Enduring Value adjustment] [other Enduring Value adjustment] [other Enduring Value adjustment]	£m 18/19 £m 18/19 £m 18/19						-
[other Enduring Value adjustment] [other Enduring Value adjustment] Total enduring value adjustments	£m 18/19 £m 18/19 £m 18/19	-	-	-	-	-	
Enduring Value adjustments (UTOLT)	£m 18/19						- 1
[Cross Price Control] [other Enduring Value adjustment] Total enduring value adjustments	£m 18/19 £m 18/19	-	-	-	-	-	
Enduring Value: Customer share of performance Enduring Value: NWO share of performance	£m 18/19 £m 18/19	-	-	:	- :	- :	
Total out(under) performance (including enduring value adjustment Customer share of out(under) performance NWO share of performance	£m 18/19 £m 18/19	18.9 18.1	13.2	3.9 3.7	0.7	(8.9)	36.6 35.2
Total out (under) performance Capitalisation 2 totex (excluding repex)	£m 18/19	37.0	25.8	7.6	1.4	(17.4)	71.8
Latest Totex actuals/forecast Totex allowance	£m 18/19	5.9 7.3	3.7 5.2	4.7 6.1	7.5 9.0	12.9 14.4	21.8
Totex out(under)performance	£m 18/19 £m 18/19	1.4	1.5	1.4	1.5	1.5	27.6 5.8
Funding Adjustment Rate (often referred to as 'sharing factor') Customer share of out(under) performance	% £m 18/19	51.00% 0.7 0.7	51.00%	51.00% 0.7 0.7	51.00% 0.8 0.7	51.00% 0.8 0.7	2.9
NWO share of performance	£m 18/19	0.7	0.7	0.7	0.7	0.7	2.8
[Cross Price Control] [other Enduring Value adjustment] Total enduring value adjustments	£m 18/19 £m 18/19 £m 18/19						
Enduring Value adjustments (UIOLI) [Cross Price Control]	£m 18/19						-
(other Enduring Value adjustment) Total enduring value adjustments	£m 18/19 £m 18/19	-	-	-	-	-	
Enduring Value: Customer share of performance Enduring Value: NWO share of performance	£m 18/19 £m 18/19	-			-		-
Total out(under) performance (including enduring value adjustment Customer share of out(under) performance NWO share of performance	£m 18/19 £m 18/19	0.7	0.8	0.7 0.7	0.8	0.8	2.9
Total out (under) performance	£m 18/19	1.4	1.5	1.4	1.5	0.7 1.5	5.8
Repex (only applicable for GD2) Latest Repex actuals/forecast Totax allowance	£m 18/19 £m 18/19	100.7 105.6	95.8 106.7	103.8 98.9	101.8 97.6	100.6 106.7	402.1 408.8
Totex out(under)performance	£m 18/19	105.6	10.9	98.9	97.6	6.0	408.8
Funding Adjustment Rate (often referred to as 'sharing factor') Customer share of out(under) performance	% £m 18/19	51.00%	51.00%	51.00%	51.00%	51.00%	3.4
NWO share of performance Enduring Value adjustments to Totex performance	£m 18/19	2.4	5.4	(2.4)	(2.1)	3.0	3.3
[Cross Price Control] [other Enduring Value adjustment] Total enduring value adjustments	£m 18/19 £m 18/19 £m 18/19	-					-
Enduring Value: Customer share of performance Enduring Value: NWO share of performance				:	-	-	
Total out(under) performance (including enduring value adjustment Customer share of out(under) performance	s) £m 18/19	2.5	5.6	(2.5)	(2.2)	21	3.4
Total out (under) performance	£m 18/19 £m 18/19	2.4 4.9	5.4 10.9	(2.4)	(2.1)	3.0 6.0	3.3 6.7
Totex Summary							
Total out(under) performance Customer share of performance NWO share of performance Total	£m 18/19 £m 18/19 £m 18/19	22.1 21.2	19.5 18.7	2.1 2.0 4.1	(0.7) (0.7) (1.4)	(5.0) (4.8)	43.0 41.3
Fotal Expenditure Per Accounts Tangible Fixed Asset Additions Intangible Asset Additions (under IFRS) - IT Software Disposals (cash proceeds)[If Statutory Accounts treat this as an exceptional		2022 2021/22					
	£m nominal	149.4	165.9	196.9	214.1		
	£m nominal	149.4 12.7 0.7 (16.0)	165.9 8.3 0.8 (10.9)	196.9 5.5 0.3 (8.6)	214.1 5.0 0.3 (11.1)		
Customer Contributions Additions Capitalised interest Revaluation of tangible fixed assets [Input description]	£m nominal £m nominal £m nominal £m nominal	149.4 12.7 0.7 (16.0) 1.5	0.8	0.3	214.1 5.0 0.3 (11.1) 1.8		
Customer Contributions Additions Capitalised interest Revaluation of tangible fixed assets [Input description] [Input description] [Input description] [Input description add additional rows as required]	£m nominal £m nominal £m nominal	0.7 (16.0)	(10.9)	0.3 (8.6)	0.3		
Customer Contributions Additions Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest Capitalized interest	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	0.7 (16.0) 1.5	(10.9)	0.3 (8.6)	0.3	5	
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Customer Contributions Additions Revaluation of tanglish find assets [Input description] [Input description, add additional rows as required] apper factured Depreciation and Amortisation Dither Operation Expenses (Open) Other Operation Expenses (Open) [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required]	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	0.7 (16.0) 1.5 148.2 87.6	0.8 (10.9) 0.9 165.1 89.3 203.1	0.3 (8.6) 1.3 195.4 93.5	0.3 (11.1) 1.8 210.1 98.9 209.9		
Customer Contributions Additions Resiluation of tables the da sests [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description, John Contributions [Input description, John Contributions [Input description, John databoard rows as required] [Input description, John did additional rows as required] [Input description, John did additional rows as required] [Input description, John did Input description	£m nominal £m nominal	0.7 (16.0) 1.5 148.2 87.6	0.8 (10.9) 0.9 165.1 89.3	0.3 (8.6) 1.3 195.4 93.5 195.6	0.3 (11.1) 1.8 210.1 98.9 209.9		
Customer Contributions Additions Resinulation of talgolish feed assets [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description, John description of the d	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	0.7 (16.0) 1.5 148.2 87.6	0.8 (10.9) 0.9 165.1 89.3 203.1	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9		
Customer Contributions Additions Revaluation of targible freed assets [Input description]	Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal Em nominal	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9	**	
Customer Contributions Additions Revaluation of tangles fred seasts [Input description]	Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9		
Customer Contributions Additions Revaluation of tanglish find seasts [Input description, just additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description, add additional rows as required] [Input description]	Ém nominal Ém nominal	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9		
Customer Contributions Additions Revaluation of tample fined assets [Input description, just additional rows as required] apper Incurred Depreciation and Amortisation Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre Operating Expenses (Open) Debre E	Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nominal Ém nomina	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9	7	
Customer Contributions Additions Revaluation of tangles fined assets (Irpix description) [Tipix description, add additional rows as required] appear focured Depreciation and Americation Other Operations Costs Insured Depreciation and Americation Other Operations Costs Insured (Irpix description, add additional rows as required) pear insured (accellation Branchiston) Other Operations Costs Insured (Irpix description, add additional rows as required) pear insured (accellation) Depreciation Branchiston) Other Department Costs Insured Excending Times to Total Net cost after non-price control allocations pear Association Adjustments Department Costs Insured (Irpix description) [Irpix description] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description, add additional rows as required] [Irpix description]	Ém nominal Ém nominal	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9		
Customer Contributions Additions Revaluation of tangles fined assets (Irpit description) [Tipped description, add additional rows as required] apper Incurred Depreciation and Americation Debre Operation Costs Incurred Depreciation and Americation Debre Operation Costs Incurred (Irpit description), add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description] Depart Incurred (excluding Depreciation & Americation) Depart Recornelling Adjustments (Irpit description) [Irpit description] [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description, add additional rows as required [Irpit description] [Irpit description]	£m nominal £m nominal	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9		
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Customer Contributions Additions Revaluation of tanglish find seasts [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows are required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description, just additional rows as required] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description] [Input description]	Em commad Em com	0.7 (16.0) 1.5 148.2 87.6 181.1 181.1	0.8 (10.9) 0.9 165.1 89.3 203.1 457.4	0.3 (8.6) 1.3 195.4 93.5 195.6 484.5	0.3 (11.1) 1.8 210.1 98.9 209.9 209.9		
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Customer Contributions Additions Revaluation of tanglish find assets (Input description)	Em commad Em com	0.7 (15.5) 1.5 (15.5) 1.6 (15.1) 1.7 (15.1) 1.8 (1.1) 1.8 (1.1) 1.8 (1.1) 1.8 (1.1) 1.8 (1.1) 1.8 (1.1) 1.8 (1.1) 1.9 (1.	0.8 (0.9) (10.9)	0.3 (8.6) (8	0.3 (113) 1.2 210.1 210.1 210.1 209.9 209.9 209.9 (98.9)		Ilicensee to provi
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Customer Contributions Additions Revaluation of tangles find assets (Irpint description) (Irp	Em commad Em com	(87.6) (87.6) (97.6) (97.6) (97.6) (97.6) (97.6) (97.6)	0.8 (0.9.3) 0.9 (0	0.3 (8.6) (8	0.3 1.1 210.1 210.1 399.9 209.9 209.9 (08.9) (08.9)		licensee to provi
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ialOnly		

R4 - Incentives and Other Revenue NGN 2025

Navigate

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

Output Incentives (Post Tax)

а	Business Plan Incentive (per latest PCFM company-specific Input Sheet)	£m 18/19	1.15	1.15	1.15	1.15	1.15	4.60	5.75
	Output Incentives (per latest PCFM company-specific Input Sheet)								
b	Customer Satisfaction Survey ODI - (SpC 4.2)	£m 18/19	1.36	1.64	1.56	1.72	1.72	6.3	8.0
С	Complaints metric ODI - (SpC 4.3)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
d	Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
е	Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
f	Shrinkage Management ODI- (SpC 4.4)	£m 18/19	-0.29	0.41	0.44	0.40	0.35	1.0	1.3
g	Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
h		£m 18/19						-	-
i		£m 18/19						-	-
	Earned Output Incentive revenue as per PCFM	£m 18/19	1.1	2.0	2.0	2.1	2.1	7.3	9.3

Additional Commentary

OFFICIAL-InternalOnly

Other Revenue Allowances (ORA_t) - Post Tax

Innovation

NIAt							
£m 18/19	1.39	1.88	2.57	2.55	3.11	8.4	11.5
£m 18/19						-	-
£m 18/19	0.1	0.2	0.3	0.3	0.3	0.8	1.2
£m 18/19	1.2	1.7	2.3	2.3	2.8	7.5	10.4
£m 18/19	0.1	0.2	0.3	0.3	0.3	0.8	1.2
CNIAt							
£m 18/19	1.4						
£m 18/19							
£m 18/19	0.14						
£m 18/19	1.2						
£m 18/19	0.1						
SIFt							
£m 18/19	-	0.7	0.3	0.4	-	1.5	1.5
£m 18/19						-	-
£m 18/19						-	-
£m 18/19	-	0.7	0.3	0.4	-	1.5	1.5
£m 18/19	-	-	-	-	-	-	-
	£m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 CNIAt £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19	£m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 CNIAt £m 18/19 £m 18/19	£m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 CNIAt £m 18/19 £m 18/19	£m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 CNIAt £m 18/19	£m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19	£m 18/19 £m 18/19	£m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 £m 18/19 CNIAt £m 18/19

Incentives

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

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

Incentives per latest PCFM company-specific Input Sheet

iv
v
vi
vii
viii

£m 18/19						ı	-
£m 18/19						ı	-
£m 18/19						-	-
£m 18/19						-	-
£m 18/19						-	-
£m 18/19	-	-	-	-	-	-	-

Additional Commentary

i ii iii iv v vi

vii

OFFICIAL-InternalOnly

		Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	
		2022	2023	2024	2025	2026	Cumulative	RIIO-2
		2021/22	2022/23	2023/24	2024/25	2025/26	to 2025	period
Net Interest Per Statutory Accounts	£m nominal	79.2	27.9	48.5	54.6	67.3	1	
	ZIII HOHIIIIdi	73.2	27.5	40.5	34.0	07.5	J	
Reconciliation with Statutory Accounts Interest not qualifying for corporation tax relief	£m nominal	-	_	_	-	_	1	
Fair value adjustments (e.g. losses on derivatives)	£m nominal	(25.0)	49.7	11.0	5.5	-		
Dividends on preference shares	£m nominal	-	-	-	-	-		
Costs of early redemption on long term debt Swap Termination Costs paid	£m nominal £m nominal	-		-	-	-		
Movements relating to pension fund liabilities reported within net interest	£m nominal	(0.4)	0.1	1.0	(0.6)	-		
Debt issuance expenses (inc. amortisation to discounts that had previously benefitted from Commitment fees for undrawn liquidity backup lines	£m nominal £m nominal	(0.5)	(0.5)	(0.6)	(0.5)	(0.5)		
Unwinding of discount on provisions	£m nominal	0.4	1.2	0.2	0.3	- (0.2)	1	
Capitalised interest	£m nominal	1.5	0.9	1.3	1.8	1.8		
Shipper interest Interest on tax provisions	£m nominal £m nominal	(3.6)	(0.3)	(0.8)	(0.7)	(0.7)		
ABC pension adjustments	£m nominal	(0.0)	(0.0)	0.0	0.0	-	1	
Other	£m nominal	0.0	(0.0)	0.0	(0.0)	(0.0)		
Other Adjustments [please specify] Other Adjustments [please specify]	£m nominal £m nominal	-		-	-	-		
Other Adjustments [please specify] Other Adjustments [please specify]	£m nominal	-	-	-	-	-	1	
Net Interest Per Regulatory (RIIO-2) Definition	£m nominal	51.4	78.8	60.4	60.3	67.6		
Forecast new financing/refinancing Net Interest costs	£m nominal	E1 /	78.8	60.4	60.3	1.1 68.7		
Regulatory Net Interest including forecast new financing/refinancing costs External Net Interest	£m nominal £m nominal	51.4 15.5	78.8 42.9	24.5	60.3	5.3		
Intra-company Net Interest	£m nominal	35.9	35.9	35.9	54.2	63.4		
		OK	OK	OK	OK	OK	J	
Memo: Net interest (RIIO-2) Definition that relates to non-cash principal inflation accretion	£m nominal]	
Inflation component of nominal finance cost	£m nominal	70.7	147.9	99.0	61.1	77.1]	
In-period real finance cost (reg terms) at actual gearing	£m nominal	(19.3)	(69.2)	(38.6)	(0.7)	(8.4)]	
Combined RPI-CPIH real to nominal prices conversion	Factor	1.085	1.180	1.245	1.285	1.335]	
In-period real finance cost (reg terms) at actual gearing	£m 18/19	(17.8)	(58.6)	(31.0)	(0.6)	(6.3)	(107.9)	(114.2)
Adjustments to be applied to Assumed Finance cost for performance assessment								
Add back Debt Issuance expenses	£m nominal	0.5	0.5	0.6	0.5	0.5	2.1	2.6
New/refinanced debt issuance expenses	£m nominal	-	0.2	2.0	0.5	1.0	2.7	3.8
Costs of early redemption on long term debt (excluding exceptional costs of buy backs asso Add accrual for inflation accretion on index-linked swaps (if applicable)	£m nominal £m nominal	-		-		-	-	-
Other Adjustments [please specify]	£m nominal	-	-	-	-	-	-	-
Other Adjustments [please specify]	£m nominal	-	<u> </u>	-	-	-	-	-
Other Adjustments [please specify] Other Adjustments [please specify]	£m nominal £m nominal	-	-	-	-	-	-	-
Total Adjustments to be applied for performance assessment (at actual gearing)	£m nominal	0.5	0.7	2.6	1.0	1.5	4.8	6.3
Total Adjustments to be applied for performance assessment (at actual gearing)	£m 18/19	0.4	0.6	2.1	0.8	1.1	3.9	5.1
Cost of Debt out(under)performance at notional gearing								
Performance against allowance is impacted by deviating from notional levels of gearing								
Notional Gearing	%	60.0%	60.0%					
Actual Gearing	%	64.0%	62.5%	61.3%	61.7%	62.8%	J	
In-period real finance cost (reg terms) at actual gearing	£m nominal	(19.3)	(69.2)	(38.6)	(0.7)	(8.4)]	
Adjustment to regulatory finance cost relating to variance from notional gearing	£m nominal	1.2	2.8	0.8	0.0	0.4		
In-period real finance cost (reg terms) at notional gearing	£m nominal	(18.1)	(66.4)	(37.8)	(0.7)	(8.0)	J	
In-period real finance cost (reg terms) at notional gearing Adjustments to be applied for performance assessment (at notional gearing)	£m 18/19 £m 18/19	(16.6) 0.4	(56.3) 0.6	(30.3)	(0.6)	(6.0) 1.1	(103.8) 3.8	(109.8) 4.9
Cost of Debt Allowance	·							
The latest PCFM contains the allowed cost of debt rate (%) for the reporting year.								
	C 10/10	20.5	26 :	27.2	20.5	22.1	1	
Real Cost of Debt Allowance as per latest published PCFM (prior year AIP)	£m 18/19	28.0	26.4	27.0	29.9	32.4	J	
Out(under) performance The real cost of debt is compared against the regulatory debt allowance (set in real terms) for an asses	ssment of perform	ance given the i	nflation protect	ion provided by	RAV indevation			
Pre-Tax performance	or periorii	given the li	addii protecti	p. ovided by	. 3.1 MacAddon			
Pre-Tax Cost of Debt out(under)performance at actual gearing	£m 18/19	45.3	84.4	55.9	29.7	37.5	215.3	252.8
Pre-Tax Cost of Debt out(under)performance at notional gearing	£m 18/19	44.3	82.1	55.3	29.7	37.2	211.3	248.6
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of gea	£m 18/19	1.1	2.4	0.6	(0.0)	0.2	4.0	4.3

2025



		Actuals	Actuals	Actuals	Actuals	Forecast
		2022	2023	2024	2025	2026
		2021/22	2022/23	2023/24	2024/25	2025/26
Opening Cash, short term deposits and overdrafts (per Balance Sheet)	£m nominal	(13.6)	(7.3)	(10.7)	(39.1)	(45.1)
Closing Cash, short term deposits and overdrafts (per Balance Sheet)	£m nominal	(7.3)	(10.7)	(39.1)	(45.1)	0.2
Bonds	£m nominal	-	-	-	-	-
External Loans	£m nominal	442.1	426.3	208.4	166.6	164.7
Private Placements Group company loans (licensee lender)	£m nominal £m nominal	475.0	540.0	540.0	540.0 -	540.0
Group company loans (licensee borrower)	£m nominal	_			-	
Group Loans from Finco back to back with finco bond issue	£m nominal	700.3	700.2	998.4	1,151.8	1,151.8
Swaps Pay Leg	£m nominal	2,365.3	2,500.3	2,910.9	3,100.0	3,067.8
Swaps Receive Leg	£m nominal	(2,365.3)	(2,500.3)	(2,910.9)	(3,100.0)	(3,067.8)
Other Total Modelled Debt	£m nominal	1,610.1	1,655.8	1,707.7	1,813.3	1,856.8
Total Modelled Debt	£m nominal	1,610.1	1,055.8	1,/0/./	1,813.3	1,856.8
Conversion to Regulatory (RIIO-2) Definition of Net Debt						
Unamortised Issue Costs	£m nominal	-	-	-	-	-
Fixed asset investments not readily convertible to cash Preference shares	£m nominal £m nominal	-	-	-	-	-
Long term loans (Not for benefit of regulated business or distribution in nature)	£m nominal				-	_
Discounts (premiums) for fixed rate debt	£m nominal	_	_	_	-	-
1. Accretion on index-linked swaps to derive correct debt level for gearing calculation	£m nominal	20.2	68.0	88.8	104.0	119.7
2. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
[Insert adjustment as necessary]	£m nominal	-	-	-	-	-
4. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
5. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
[Insert adjustment as necessary] [Insert adjustment as necessary]	£m nominal £m nominal		-	-	-	-
8. [Insert adjustment as necessary]	£m nominal	_	_	_	-	_
9. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
10. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
11. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
Total Net Debt per Regulatory (RIIO-2) definition	£m nominal	1,630.3	1,723.9	1,796.5	1,917.4	1,976.5
Forecast new debt/refinancing Regulatory Net Debt including forecast new debt/refinancing	£m nominal £m nominal	1,630.3	1,723.9	1,796.5	1,917.4	62.0 2,038.5
Regulatory Net Debt mendaling forecast new debt/remining	ZIII Hollillidi	OK	OK	OK OK	OK	OK OK
Opening Regulatory Net Debt including forecast new debt/refinancing Closing Regulatory Net Debt including forecast new debt/refinancing	£m nominal	1,507.5	1,630.3	1,723.9	1 706 E	1,917.4
	£m nominal	1,630.3	1,723.9	1,796.5	1,796.5 1,917.4	2,038.5
Conversion from Pegulatory (PIIO-2) Definition of Net Debt to Statutory Net Debt	£m nominal	1,630.3	1,723.9			
Conversion from Regulatory (RIIO-2) Definition of Net Debt to Statutory Net Debt 1. Fair value adjustments			,	1,796.5	1,917.4	
Conversion from Regulatory (RIIO-2) Definition of Net Debt to Statutory Net Debt 1. Fair value adjustments 2. Accrued interest	£m nominal £m nominal £m nominal	1,630.3	21.1			2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps 	£m nominal £m nominal £m nominal		,	1,796.5	1,917.4	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps 	£m nominal £m nominal £m nominal £m nominal	111.7 - (100.5)	21.1	20.2 - (74.1)	(7.4) - (44.9)	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability 	£m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) -	21.1 - (74.7) -	20.2 - (74.1) -	(7.4) - (44.9) -	- - - - -
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs 	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - - (1.9)	21.1 - (74.7) - - (1.6)	20.2 - (74.1) - - (1.2)	(7.4) (7.4) (44.9) (1.0)	2,038.5 - - - - - (0.9)
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt 	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0	21.1 - (74.7) - - (1.6) 4.0	20.2 - (74.1) - (1.2) 4.2	(7.4) - (44.9) - (1.0) 4.4	2,038.5 - - - - - (0.9) 4.4
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs 	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - - (1.9)	21.1 - (74.7) - - (1.6)	20.2 - (74.1) - - (1.2)	(7.4) (7.4) (44.9) (1.0)	2,038.5 - - - - - (0.9)
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] 	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2)	21.1 - (74.7) - - (1.6) 4.0 54.2 (68.0)	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8)	1,917.4 (7.4) - (44.9) - (1.0) 4.4 51.4 (104.0)	2,038.5 - - - - - (0.9) 4.4 51.4 (115.1)
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) 	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5	21.1 - (74.7) - - (1.6) 4.0 54.2	20.2 - (74.1) - (1.2) 4.2 52.8	(7.4) (44.9) (1.0) 4.4 51.4	2,038.5 (0.9) 4.4 51.4
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] 	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2)	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8)	(7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8	2,038.5 - - - - - (0.9) 4.4 51.4 (115.1)
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas system operator allocation (transmission companies only)	£m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7	(7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8	2,038.5 (0.9) 4.4 51.4 (115.1) 1,978.3
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only)	£m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8	20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7	(7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8	2,038.5 (0.9) 4.4 51.4 (115.1) 1,978.3
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas system operator allocation (transmission companies only) Transmission or distribution allocation	£m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7	1,917.4 (7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas system operator allocation (transmission companies only)	£m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8	1,796.5 20.2 - (74.1) (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100%	(7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8	2,038.5 (0.9) 4.4 51.4 (115.1) 1,978.3
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Transmission or distribution allocation Average Net Debt (per Regulatory Definition) Equity RAV Average RAV	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6	1,796.5 20.2 - (74.1) (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7	1,917.4 (7.4) - (44.9) - (1.0) 4.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0	2,038.5 (0.9) 4.4 51.4 (115.1) 1,978.3 0% 100% 1,978.0 1,171.2 3,149.2
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas system operator allocation (transmission companies only) Transmission or distribution allocation Average Net Debt (per Regulatory Definition) Equity RAV Average RAV Actual Regulatory Gearing	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0%	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5%	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3%	1,917.4 (7.4) (44.9) (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7%	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas 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	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0% 60.0%	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,004.5 2,681.6 62.5% 60.0%	1,796.5 20.2	1,917.4 (7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7% 60.0%	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas system operator allocation (transmission companies only) Transmission or distribution allocation Average Net Debt (per Regulatory Definition) Equity RAV Average RAV Actual Regulatory Gearing	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0%	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5%	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3%	1,917.4 (7.4) (44.9) (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7%	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas 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	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m fominal £m nominal	111.7 (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0% 60.0% 4.0%	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5% 60.0% 2.5%	1,796.5 20.2 - (74.1) (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3% 60.0% 1.3% 1392.0	1,917.4 (7.4) (1.0) (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7% 60.0% 1.7% 1415.8	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas 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	£m nominal £m nominal	111.7 (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0% 60.0% 4.0%	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5% 60.0% 2.5% 1404.6 841.3	1,796.5 20.2 - (74.1) (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3% 60.0% 1.3% 1392.0 879.8	1,917.4 (7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7% 60.0% 1.7% 1415.8 880.7	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas 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 NPV Neutral assumed Average RAV NPV Neutral assumed Average RAV	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m 1000 % % £m 18/19 £m 18/19 £m 18/19	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0% 60.0% 4.0% 1,415.7 797.1 2,212.8	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5% 60.0% 2.5% 1404.6 841.3 2,245.8	1,796.5 20.2 - (74.1) (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3% 60.0% 1.3% 1392.0 879.8 2,271.8	1,917.4 (7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7% 60.0% 1.7% 4415.8 880.7 2,296.5	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas 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 APV Neutral assumed Average RAV Actual Regulatory Gearing Gearing Ratio delta	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m 18/19 £m 18/19 £m 18/19	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0% 60.0% 4.0% 1,415.7 797.1 2,212.8 64.0%	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5% 60.0% 2.5% 1404.6 841.3 2,245.8 62.5%	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3% 60.0% 1.3% 1392.0 879.8 2,271.8 61.3%	1,917.4 (7.4) (44.9) (1.0) 4.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7% 60.0% 1.7% 1415.8 880.7 2,296.5 61.7%	2,038.5
 Fair value adjustments Accrued interest Derivatives - other than cross currency swaps Balancing value on cross currency swaps IFRS 16 Right of Use Lease Liability Unamortised issue costs Discount on bonds not in stat accounts debt Amounts owed to group undertakings Back out CPI swap accretion (part of swap creditor balance in NGN accounts) [Insert adjustment as necessary] Net Debt per Statutory Accounts Allocation of net debt (Per regulatory definition. Transmission companies only) Gas 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 NPV Neutral assumed Average RAV NPV Neutral assumed Average RAV	£m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m nominal £m 1000 % % £m 18/19 £m 18/19 £m 18/19	111.7 - (100.5) - (1.9) 4.0 60.5 (20.2) 1,683.9 0% 100% 1,568.9 883.4 2,452.3 64.0% 60.0% 4.0% 1,415.7 797.1 2,212.8	21.1 - (74.7) - (1.6) 4.0 54.2 (68.0) 1,658.8 0% 100% 1,677.1 1,004.5 2,681.6 62.5% 60.0% 2.5% 1404.6 841.3 2,245.8	1,796.5 20.2 - (74.1) - (1.2) 4.2 52.8 (88.8) 1,709.7 0% 100% 1,760.2 1,112.5 2,872.7 61.3% 60.0% 1.3% 1392.0 879.8 2,271.8 61.3%	1,917.4 (7.4) - (44.9) - (1.0) 4.4 51.4 (104.0) 1,815.8 0% 100% 1,856.9 1,155.1 3,012.0 61.7% 60.0% 1.7% 1415.8 880.7 2,296.5 61.7% 60.0%	2,038.5



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

RAV per latest PCFM

Closing RAV per latest PCFM	£m 18/19	2,264.0	2,294.4	2,323.3	2,350.0	2,381.6
Opening RAV (before transfers)	£m 18/19	2,229.1	2,264.0	2,294.4	2,323.3	2,350.0
Transfers	£m 18/19					
Opening RAV (after transfers)	£m 18/19	2,229.1	2,264.0	2,294.4	2,323.3	2,350.0
Net additions (after disposals)	£m 18/19	150.7	149.6	151.3	152.3	160.2
Net additions (after disposals) - enduring value adjustment	£m 18/19					
Total Net Additions	£m 18/19	150.7	149.6	151.3	152.3	160.2
Depreciation	£m 18/19	(115.8)	(119.2)	(122.4)	(125.6)	(128.7)
Depreciation - enduring value adjustment	£m 18/19		, ,	, ,	ì	Ì
Total Depreciation	£m 18/19	(115.8)	(119.2)	(122.4)	(125.6)	(128.7)
Adjusted Closing RAV	£m 18/19	2,264.0	2,294.4	2,323.3	2,350.0	2,381.6
	·	•			•	
Total enduring value and other adjustments	£m 18/19	-	-	-	-	-
CHECK	,	TRUE	TRUE	TRUE	TRUE	NA
	•					
Index for Opening RAV conversion to nominal in yr 1	Index	1.053				
,	•					
Adjusted Closing RAV	£m nominal	2,556.6	2,806.6	2,938.8	3,085.3	3,213.0
	•	•				
Cost of debt	annual real %	2.11%	1.96%	1.98%	2.17%	2.32%
Cost of equity	annual real %	4.52%	4.56%	5.28%	5.59%	5.45%
Notional gearing	%	60.0%	60.0%	60.0%	60.0%	60.0%
Vanilla WACC				00.070	00.070	00.070
	annual real %	3.07%	3.00%	3.30%	3.54%	3.57%
	annual real %	3.07%				
NPV-neutral debt element of RAV	•	3.07% 1,327.7	3.00%			3.57%
	£m 18/19	1,327.7	3.00% 1,347.5	3.30%	3.54% 1,377.9	3.57% 1,394.9
NPV-neutral debt element of RAV NPV-neutral equity element of RAV NPV-neutral RAV return base	£m 18/19 £m 18/19	1,327.7 885.1	3.00% 1,347.5 898.3	3.30% 1,363.1 908.7	3.54% 1,377.9 918.6	3.57% 1,394.9 929.9
NPV-neutral equity element of RAV	£m 18/19	1,327.7	3.00% 1,347.5	3.30% 1,363.1	3.54% 1,377.9	3.57% 1,394.9
NPV-neutral equity element of RAV	£m 18/19 £m 18/19 £m 18/19	1,327.7 885.1	3.00% 1,347.5 898.3	3.30% 1,363.1 908.7	3.54% 1,377.9 918.6 2,296.5	3.57% 1,394.9 929.9 2,324.8
NPV-neutral equity element of RAV NPV-neutral RAV return base Debt Return on RAV	£m 18/19 £m 18/19 £m 18/19	1,327.7 885.1 2,212.8	3.00% 1,347.5 898.3 2,245.8	3.30% 1,363.1 908.7 2,271.8	3.54% 1,377.9 918.6	3.57% 1,394.9 929.9
NPV-neutral equity element of RAV NPV-neutral RAV return base	£m 18/19 £m 18/19 £m 18/19	1,327.7 885.1 2,212.8	3.00% 1,347.5 898.3 2,245.8	3.30% 1,363.1 908.7 2,271.8	3.54% 1,377.9 918.6 2,296.5	3.57% 1,394.9 929.9 2,324.8





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

The CT600 will not have been submitted for the current reporting year.

It is assumed the current tax charge per the statutory accounts will equal the tax liability in the forthcoming CT600, where this is not the case the licensee should provide an explanation in the commentary of the variance.

ax liability per latest submitted CT600 (pre-group relief)	Cm noreinal	22.0	25.0	42.7		
fter Regulatory Adjustments	£m nominal	22.8	35.0	42.7		mı
djustments to remove non-regulated tax liability						
Tax on non-regulated activities	£m nominal					
Metering	£m nominal					
De-minimus and Other activities	£m nominal					
Excluded services	£m nominal					
Non-regulated tax	£m nominal	-	-	-	-	-
Other adjustments						
Tax on Other Revenue Allowances - Innovation and Incentives only	£m nominal	0.1	0.1	0.1	+	+
Collected revenue adjustment ('k')	£m nominal					
Pension - timing adjustment	£m nominal					
Pension - disallowed contributions	£m nominal		9.8			
Tax on derivatives not disregarded	£m nominal	1.4	0.1	0.1		
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Total other adjustments	£m nominal	1.5	10.0	0.2	-	-
Forecast regulated tax liability (including impact of any enduring	£m nominal	25.5	21.4	32.2	36.7	42.0
value adjustments) Adjusted regulated tax liability	£m nominal	21.4	25.0	42.6	36.7	42.0
injustica i ogaliacoa can masime,		<u> </u>				
Combined RPI-CPIH real to nominal prices conversion	Factor	1.085	1.180	1.245	1.285	1.335
Adjusted/forecast regulated tax liability	£m 18/19	19.7	21.2	34.2	28.6	31.5
Fax out(under)performance at notional gearing Performance against allowance is impacted by deviating from notional levels	of gearing					
Notional Gearing	%	60.0%	60.0%	60.0%	60.0%	60.0%
Actual Gearing	%	64.0%	62.5%	61.3%	61.7%	62.8%
, and the second	_		•	'		
Adjusted/forecast regulated tax liability	£m nominal	21.4	25.0	42.6	36.7	42.0
Adjustment to regulatory tax cost relating to variance from notional (£m nominal	(0.2)	(0.5)	(0.2)	0.0	(0.1)
Revised regulated tax liability for comparison against allowance	£m nominal	21.1	24.4	42.4	36.7	41.9
Revised regulated tax liability for comparison against allowance	£m 18/19	19.5	20.7	34.0	28.6	31.4
Allowance						
	5 10/10	22.5	40.0	25.0	20.6	24.5
Fax Allowance per latest PCFM	£m 18/19	23.5	18.2	25.8	28.6	31.5
Out(under) performance						
Regulated tax out(under) performance at actual gearing	£m 18/19	3.8	(3.0)	(8.3)	-	-
Regulated tax out(under) performance at notional gearing	£m 18/19	4.0	(2.5)	(8.2)	(0.0)	0.1
Impact on out(under) performance relating to deviating from n	£m 18/19	(0.2)	(0.4)	(0.2)	0.0	(0.1)
ax impact of financing performance (at actual gearing)	£m nominal	(9.3)	(18.9)	(17.4)	(9.5)	(12.5) ch
Fax impact of financing performance (at actual gearing)	£m 18/19	(8.6)	(16.0)	(14.0)	(7.4)	(9.4)
	LIII 10/17	(0.0)	(10.0)	` '	` '	
	fm nominal	(9.1)	(18.4)	(17.2)	(9.5)	(12.41)ch
Tax impact of financing performance (at notional gearing) Tax impact of financing performance (at notional gearing)	£m nominal £m 18/19	(9.1) (8.4)	(18.4)	(17.2) (13.8)	(9.5) (7.4)	(12.4) cha (9.3)

R9 - Corporate Governance NGN Navigate 2025 Actuals 2024 2025 2024/25 2022 2022/23 Dividends Reconciliation - Regulated Business to Accounts Dividend paid as per Statutory Accounts £m nominal Less dividend paid not related to Regulated business [Insert adjustment as necessary] £m nominal [Insert adjustment as necessary] £m nominal [Insert new rows here as necessary] £m nominal Dividend paid relating to the Regulated Business Shareholder loan interest (not included as Net Interest per Regulatory (RIIO-2) definition) £m nominal Executive Directors* Remuneration 2025 - Actuals Name of Director Mark Horsley Fixed Pay Salary £m nominal 0.613 Bonus £m nominal [Insert new rows here as necessary] £m nominal Benefits £m nominal 0.154 [Insert new rows here as necessary] £m nominal Pension £m nominal [Insert new rows here as necessary] £m nominal 0.767 **Total Fixed Pay** £m nominal Allocation to Regulated Business £m nominal Variable Pay Incentives £m nominal 0.063 [Insert new rows here as necessary] £m nominal Performance related Pay [Insert new rows here as necessary] £m nominal 0.420 0.483 £m nominal Total Variable Pay Allocation to Regulated Business £m nominal £m nominal **Total Pay** £m nominal 1.250 Total Pay related to Regulated Business £m nominal Shares** / Options Share ownership/ awards No. of Shares [Insert new rows here as necessary] % Discount on shares purchased % of shares held compared to total authorised shares Value of total shares £m nominal No.of Options held No. Exercise price No. of options exercised Value of Options exercised £m nominal Dividends paid £m nominal **Total Shares, Options and Dividends** Allocation to Regulated Business £m nominal **Total Remuneration** £m nominal 1.250 **Total Remuneration related to Regulated Business** Pay Ratios - CEO's total remuneration to company's UK employees remuneration 25th percentile 50th percentile 75th percentile *meaning executive board directors ** in addition to shares under Variable Pay

Supporting Comments

Navigate

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

P				

2025

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	£m nominal £m nominal £m nominal	5.3 1.1	17.8 14.7 3.1	19.7 16.2 3.5	9.3 2.0	
Established deficit element funded via specific allowances	£m 18/19	4.9	12.5	13.0	7.2	-
Established deficit (EDE) allowance as per latest PCFM Less Pension Payment History Allowance (PPH) Established deficit allowance less PPH	£m 18/19 £m 18/19 £m 18/19	4.7 4.7 Enter	4.7	13.2	17.5 10.4 7.1	-

valuation date 31/03/2022

Latest pension scheme valuation

Price base

nominal

Total Liabilities attributable to post cut-off date notional sub fund	£m nominal	51.9
Total Liabilities attributable to pre cut-off date notional sub fund	£m nominal	472.8
Total Assets attributable to post cut-off date notional sub fund	£m nominal	44.0
Total Assets attributable to pre cut-off date notional sub fund	£m nominal	436.6
Deficit in the post Cut-Off Date Notional Sub-Fund	£m nominal	7.9
Deficit in the pre Cut-Off Date Notional Sub-Fund	£m nominal	36.2
Licensee element of established deficit	£m nominal	36.2

Licensee element of incremental deficit

£m nominal

Other Activities

		Actuals	Actuals	Actuals	Actuals	Forecast
		2022	2023	2024	2025	2026
Post-tax total fines and penalties (including GS payments)	£m 18/19	0.6	0.4	0.3	0.3	0.2
Ofgem related fines and penalties						
[Insert detail of fine or penalty]	£m nominal					
[Insert detail of fine or penalty]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Total Ofgem related fines and penalties	£m nominal	-	-	-	-	-
Any adjustment for tax	£m nominal					
Post-tax total fines and penalties	£m nominal	-	-	-	-	-
Guaranteed Standard (GS) payments						
Total GS payments	£m nominal	0.6	0.4	0.4	0.3	0.3
Any adjustment for tax	£m nominal					
Post-tax total GS payments	£m nominal	0.6	0.4	0.4	0.3	0.3

Note: we have excluded the £5.0m fine paid in February 2022 to HM Courts & Tribunal Services relating to the Mirfield gas explosion from this report, on the basis it is not a fine from Ofgem of