

Licensee	SSEH
Sector	ED1
Reporting Year: (enter 2014 for 2013-14)	2020
Version (Number)	
Submitted Date:	31/08/2020
Cost of Equity	6.0%
Sharing Factor	56.47%
Notional Gearing	65.0%
RIO-1 start date	2016
Price basis	Em 12/13

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

Network Operator Data
SSEH
2020

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

RPI Index	Reporting year	Actual / Forecast index	Financial Year Average RPI (RPIH)	Year end RPI	Corp. Tax
2009-10	2010	Actual	215.8	221.8	28%
2010-11	2011	Actual	226.5	233.5	28%
2011-12	2012	Actual	237.3	241.7	26%
2012-13	2013	Actual	244.7	249.1	24%
2013-14	2014	Actual	251.7	255.3	23%
2014-15	2015	Actual	256.7	257.6	21%
2015-16	2016	Actual	259.4	261.3	20%
2016-17	2017	Actual	265.0	270.0	20%
2017-18	2018	Actual	274.9	279.0	19%
2018-19	2019	Actual	283.3	286.7	19%
2019-20	2020	Actual	290.6	292.6	19%
2020-21	2021	Forecast	296.5	298.5	19%
2021-22	2022	Forecast	303.9	305.9	19%
2022-23	2023	Forecast	312.4	314.5	19%
2023-24	2024	Forecast			19%
2024-25	2025	Forecast			19%
2025-26	2026	Forecast			19%

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
Financial Year Average RPI (RPIH)	1.060	1.083	1.124	1.158	1.188	1.212	1.242	1.277
Year end RPI	1.068	1.103	1.140	1.172	1.196	1.220	1.250	1.285
1 year change in Fin Year Ave RPI	1.011	1.021	1.037	1.031	1.026	1.020	1.025	1.028

HMT Forecasts for UK Economy - M3 New Forecasts RPI

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

Forecast growth rate

Reporting Year	2017	2018	2019	2020	2021	2022	2023
Forecast growth rate	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%

Future inflation assumption

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

Selected Capitalisation rates for SSEH

RIIO1	2014	2015	2016	2017	2018	2019	2020	2021
Totex	62.00%							
n/a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Allowed cost of debt %

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

Sector	Default	Allowed Cost of Equity	TIM Incentive Strength	Gearing	Main Cap. Rate	RIIO1 start date	Price Basis	Fast Tracked	IOI pre or post tax	Allowed cost of debt											
										2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
ED	ENWL	6.0%	58.11%	65.0%	68.0%	2016	Em 12/13	No	Post												
ED	NPgN	6.0%	55.84%	65.0%	70.0%	2016	Em 12/13	No	Post												
ED	NPgY	6.0%	55.84%	65.0%	72.0%	2016	Em 12/13	No	Post												
ED	UKPN-EPN	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post												
ED	UKPN-LPN	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post												
ED	UKPN-SPN	6.0%	53.28%	65.0%	68.0%	2016	Em 12/13	No	Post												
ED	SPD	6.0%	53.50%	65.0%	80.0%	2016	Em 12/13	No	Post												
ED	SPMW	6.0%	53.50%	65.0%	80.0%	2016	Em 12/13	No	Post												
ED	SSEH	6.0%	56.47%	65.0%	62.0%	2016	Em 12/13	No	Post												
ED	SSES	6.0%	56.47%	65.0%	70.0%	2016	Em 12/13	No	Post												
ED	WPD-EMID	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre												
ED	WPD-WMID	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre												
ED	WPD-SWALES	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre												
ED	WPD-SWEST	6.4%	70.00%	65.0%	80.0%	2016	Em 12/13	Yes	Pre												
GD	Cadent-EOE	6.7%	63.04%	65.0%	26.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	Cadent-London	6.7%	63.04%	65.0%	23.5%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	Cadent-WM	6.7%	63.04%	65.0%	24.9%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	Cadent-NW	6.7%	63.04%	65.0%	26.1%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	NGN	6.7%	63.98%	65.0%	35.0%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	SGN - Scotland	6.7%	63.73%	65.0%	35.1%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	SGN - Southern	6.7%	63.73%	65.0%	32.2%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GD	WUW	6.7%	63.17%	65.0%	35.8%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GT	NGGT (TO)	6.8%	44.36%	62.5%	64.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
GT	NGGT (SO)	6.8%	44.36%	62.5%	37.4%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
ET	NGET (TO)	7.0%	46.89%	60.0%	85.0%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
ET	NGET (SO)	7.0%	46.89%	60.0%	27.9%	2014	Em 09/10	No	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
ET	SPT	7.0%	50.00%	55.0%	90.0%	2014	Em 09/10	Yes	Pre	2.92%	2.72%	2.55%	2.38%	2.22%	1.91%	1.58%	1.09%				
ET	SHET	7.0%	50.00%	55.0%	90.0%	2014	Em 09/10	Yes	Pre	2.92%	2.50%	2.15%	1.79%	1.51%	1.16%	1.02%	0.83%				

GD: Capitalised share of repex / GT: Uncertainty Rate

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

IOI Additional Income

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

ED
Output incentives for each sector used to populate RS

Input for RS - Output Incentives
Broad measure of customer service
Interruptions-related quality of service
Incentive on connections engagement
Time to Connect Incentive
Losses discretionary reward scheme

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

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

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

NGGT (TO)
Stakeholder Satisfaction Output
Permits revenue adjustment

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

NGET (TO)
Network Reliability Incentive
Stakeholder Satisfaction Output
SF6 Emissions
Environmental Discretionary Reward

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

SPT
Network Reliability Incentive
Stakeholder Satisfaction Output
SF6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

SHET
Network Reliability Incentive
Stakeholder Satisfaction Output
SF6 Emissions
Environmental Discretionary Reward
Performance re offers of timely connection

All incentive performance recognised in 1+2 allowed revenue -

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

Bond or loan types
Fixed rate
Floating
Inflation-linked

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

Currency
GBP
EUR
USD
HKD
CAD

Rank
Senior
Junior

Hedged
Yes - fully hedged
Yes - partially hedged
No

Special features
Callable
Puttable

Counterparty
EIB
RBS
SHEPS
Highland Council
Moray Council

Swap legs
Fixed rate
Floating

Version control
SSEH
2020

Version:

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

[R1 - RoRE](#)

[R2 - Revenue](#)

[R3 - Rec to totex](#)

[R4 - Totex](#)

[R5 - Output Incentives](#)

[R6 - Innovation](#)

[R7 - Financing](#)

[R7a - Financing input](#)

[R8 - Net Debt](#)

[R8a - Net Debt input](#)

[R9 - RAV](#)

[R10 - Tax](#)

[R11 - Dividends](#)

[R12 - Pensions](#)

[R13 - Other Activities](#)

R1 - Return on Regulatory Equity (RoRE)
SSEH
2020

Navigate

	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast			
	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R110-1 period	
RoRE based on Notional Gearing											
	31/08/2020										
Allowed Equity Return	%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Totex outperformance	%	3.2%	1.2%	2.4%	0.7%	0.9%	-2.4%	-2.1%	-2.1%	1.7%	0.1%
IQI Reward	%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Broad measure of customer service	%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Interruptions-related quality of service	%	0.5%	0.2%	0.5%	0.0%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Incentive on connections engagement	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Time to Connect Incentive	%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Losses discretionary reward scheme	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network Innovation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	10.4%	8.1%	9.5%	7.4%	7.9%	4.6%	4.9%	4.8%	8.6%	7.1%
Debt performance - at notional gearing	%	-2.9%	-1.0%	4.6%	0.9%	0.1%	-0.6%	-2.8%	1.4%	-0.4%	-0.1%
Tax performance - at notional gearing	%	-0.2%	-0.9%	-0.6%	-1.6%	0.8%	-0.2%	-0.3%	-0.3%	-0.5%	-0.4%
RoRE - including financing and tax	%	7.2%	6.2%	13.4%	6.7%	8.9%	3.8%	1.8%	5.8%	8.5%	6.6%

RoRE based on Actual Gearing											
Allowed Equity Return	%	5.9%	6.1%	6.1%	5.9%	6.4%	6.7%	6.0%	6.0%	6.1%	6.1%
Totex outperformance	%	3.1%	1.2%	2.4%	0.7%	1.0%	-2.7%	-2.1%	-2.1%	1.7%	0.1%
IQI Reward	%	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%
Broad measure of customer service	%	0.4%	0.4%	0.5%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%
Interruptions-related quality of service	%	0.5%	0.2%	0.5%	0.0%	0.3%	0.4%	0.3%	0.3%	0.3%	0.3%
Incentive on connections engagement	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Time to Connect Incentive	%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Losses discretionary reward scheme	%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Network Innovation	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Penalties and fines	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoRE - Operational performance	%	10.2%	8.3%	9.6%	7.3%	8.5%	5.1%	4.9%	4.8%	8.8%	7.3%
Debt performance - at actual gearing	%	-2.8%	-1.1%	4.7%	0.9%	0.0%	-1.0%	-2.8%	1.4%	0.3%	-0.1%
Tax performance - at actual gearing	%	-0.2%	-0.9%	-0.6%	-1.6%	0.9%	-0.2%	-0.3%	-0.3%	-0.5%	-0.4%
RoRE - including financing and tax	%	7.2%	6.2%	13.6%	6.7%	9.4%	3.9%	1.8%	5.8%	8.6%	6.7%

RoRE input values											
Input values provided in Em 12/13 prices											
Equity Return on the RAV	Em 12/13	19.7	19.8	20.0	20.2	20.7	21.4	22.1	22.8	100.4	166.6
Totex outperformance	Em 12/13	10.5	3.9	7.8	2.3	3.2	(8.7)	(7.8)	(8.1)	27.7	3.1
IQI Reward	Em 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.3
Broad measure of customer service	Em 12/13	1.4	1.4	1.5	1.6	1.6	1.8	1.8	1.8	7.5	12.9
Interruptions-related quality of service	Em 12/13	1.8	0.6	1.5	0.1	1.0	1.2	1.2	1.2	5.0	8.6
Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Time to Connect Incentive	Em 12/13	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	3.2	5.0
Losses discretionary reward scheme	Em 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
Network Innovation	Em 12/13	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.6)
Penalties and fines	Em 12/13	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.3)	(0.4)
RoRE - Operational performance	Em 12/13	34.1	26.7	31.6	24.9	27.2	16.4	17.9	18.3	144.4	197.0
Debt performance - at notional gearing	Em 12/13	(9.5)	(3.4)	15.3	3.1	0.5	(2.2)	(10.4)	5.2	6.0	(1.4)
Debt performance - impact of actual gearing	Em 12/13	0.2	(0.2)	(0.0)	0.1	(0.5)	(0.9)	(0.0)	0.0	(0.5)	(1.4)
Tax performance - at notional gearing	Em 12/13	(0.8)	(2.9)	(2.1)	(5.4)	2.9	(0.8)	(1.0)	(1.3)	(8.3)	(11.4)
Tax performance - impact of actual gearing	Em 12/13	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)
RoRE - including financing and tax	Em 12/13	24.0	20.1	44.8	22.7	30.0	12.5	6.5	22.2	141.6	182.8
NPV-neutral element of RAV	Em 12/13	328.1	330.3	333.1	336.3	344.8	356.6	367.7	379.2		
Equity RAV based on actual gearing	Em 12/13	333.2	323.1	328.6	340.6	320.9	320.1	367.2	379.2		

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

Allowed Revenue - per latest submitted Revenue Return

	31/08/2020	2016	2017	2018	2019	2020	2021	2022	2023
Opening Base Revenue Allowance	Em 12/13	246.4	257.1	257.1	257.1	257.1			
MOD	Em 12/13	-	(1.9)	(4.2)	(3.8)	(17.0)			
True Up	Em 12/13	-	-	(5.4)	(1.0)	0.6			
Retail Price Index Forecast (RPIf term)	Index	1.082	1.087	1.121	1.159	1.198			
Nominal Base Revenue	Em nominal	266.6	277.4	277.4	292.4	288.3			
Incentive revenue adjustment	Em nominal	0.8	1.9	5.9	3.6	5.4	3.4	4.9	5.5
Adjustments for Allowed Pass-Through Items	Em nominal	(57.5)	(58.0)	(61.5)	(59.8)	(77.7)			
Network Innovation Allowance	Em nominal	0.9	0.9	0.5	0.7	0.6	6.7	0.7	0.7
Low Carbon Networks Fund revenue adjustment	Em nominal	0.5	0.0	0.1	0.2	0.0	0.2	0.2	0.2
DPCR4 residual distribution losses incentive	Em nominal	8.7	8.8	8.7	-	-			
[Input description]	Em nominal								
[Input description]	Em nominal								
[Input description]	Em nominal								
[Input description]	Em nominal								
Correction factor	Em nominal	-	(11.2)	0.7	2.6	8.8			
Allowed Network Revenue	Em nominal	220.0	242.1	230.4	234.7	207.9	4.3	5.8	6.4
(Under) / Over recovery		0.8	2.6	8.5	(0.7)	37.5			

Reconciliation: Regulated Network Revenue to Accounts

	2020	2017	2018	2019	2020	2021	2022	2023
Collected Regulated Network Revenue	220.8	244.7	238.8	234.0	245.5			
Other Turnover Items								
Network Innovation Competition (NIC) payments received from SO	Em nominal	-	-	-	-	-		
Legacy Metering Equipment charges	Em nominal	1.7	1.8	1.8	1.4	1.0		
Directly Remunerated Services revenue	Em nominal	38.8	54.3	51.9	2.1	4.3		
Network Asset Secondary Deliverables incentive/penalty	Em nominal	-	-	-	-	-		
Charging outside the Distribution Services Area (Out of Area Charges)	Em nominal	2.9	3.2	4.6	4.2	4.6		
De Minimis Business of the licensee	Em nominal	3.4	6.5	7.7	9.2	13.2		
Other consented activities	Em nominal	-	-	-	-	-		
Data Services revenue	Em nominal	-	-	-	-	-		
[Input description, add additional rows as required]	Em nominal							
Total Other Turnover Items	Em nominal	46.8	65.8	66.0	16.9	23.1		
Other adjustments - please list								
Cable damage income	Em nominal	0.2	0.3	0.4	0.2	0.2		
Connections - customer funded reinforcement	Em nominal	5.0	10.5	4.2	2.9	2.8		
Scrap sales	Em nominal	0.2	0.2	0.3	0.2	0.2		
Assistance for high-cost distributors adjustment	Em nominal	57.5	58.0	59.1	61.3	63.3		
IFRIC 18 adjustment (customer contributions to income)	Em nominal	1.8	2.7	2.0	-	-		
Diesel generation income	Em nominal	-	0.2	0.5	1.0	0.7		
Supplier of last resort	Em nominal				0.2	0.2		
I2EV SDRC	Em nominal				0.8	0.0		
DPCR 4	Em nominal				1.6	0.1		
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
[Input description]	Em nominal							
Roundings	Em nominal							
Total other adjustments	Em nominal	64.7	72.0	66.6	68.2	67.6		
Reconciled total revenue	Em nominal	332.3	382.5	371.5	319.0	336.2		
Turnover as per Profit and Loss (Accounts)	Em nominal	332.3	382.5	371.5	319.0	336.2		
Check		OK	OK	OK	OK	OK	OK	OK

	Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
	2016	2017	2018	2019	2020	2021	2022	2023			

Totex per the latest RRP submission

31/08/2020

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
Totex												
Latest Totex actuals/forecast	Em 12/13	142.7	140.6	152.1	165.7	169.2	177.9	183.1	179.7	790.3	1,331.2	
Totex allowance including allowed adjustments and uncertainty mechanisms	Em 12/13	161.3	167.5	166.0	169.7	174.8	162.5	169.6	165.3	839.3	1,336.7	
Totex out(under)performance	Em 12/13	18.6	6.9	13.9	4.0	5.6	(15.3)	(13.7)	(14.4)	49.1	5.6	
Funding Adjustment Rate (often referred to as 'sharing factor')	%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%			
Customer share of out(under) performance	Em 12/13	8.1	3.0	6.0	1.8	2.5	(6.7)	(6.0)	(6.3)	21.4	2.4	
NWO share of performance	Em 12/13	10.5	3.9	7.8	2.3	3.2	(8.7)	(7.8)	(8.1)	27.7	3.1	
Enduring Value adjustments to Totex performance												
a) (Ending Value adjustment)	Em 12/13	-	-	-	-	-	-	-	-	-	-	
b) (Ending Value adjustment)	Em 12/13	-	-	-	-	-	-	-	-	-	-	
c) (Ending Value adjustment)	Em 12/13	-	-	-	-	-	-	-	-	-	-	
d) (Ending Value adjustment)	Em 12/13	-	-	-	-	-	-	-	-	-	-	
e) (Ending Value adjustment)	Em 12/13	-	-	-	-	-	-	-	-	-	-	
f) (Ending Value adjustment)	Em 12/13	-	-	-	-	-	-	-	-	-	-	
Total enduring value adjustments	Em 12/13	-	-	-	-	-	-	-	-	-	-	
Ending Value: Customer share of performance	Em 12/13	-	-	-	-	-	-	-	-	-	-	
Ending Value: NWO share of performance	Em 12/13	-	-	-	-	-	-	-	-	-	-	
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	Em 12/13	8.1	3.0	6.0	1.8	2.5	(6.7)	(6.0)	(6.3)	21.4	2.4	
NWO share of performance	Em 12/13	10.5	3.9	7.8	2.3	3.2	(8.7)	(7.8)	(8.1)	27.7	3.1	
Total	Em 12/13	18.6	6.9	13.9	4.0	5.6	(15.3)	(13.7)	(14.4)	49.1	5.6	

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
Totex Summary												
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	Em 12/13	8.1	3.0	6.0	1.8	2.5	(6.7)	(6.0)	(6.3)	21.4	2.4	
NWO share of performance	Em 12/13	10.5	3.9	7.8	2.3	3.2	(8.7)	(7.8)	(8.1)	27.7	3.1	
Total	Em 12/13	18.6	6.9	13.9	4.0	5.6	(15.3)	(13.7)	(14.4)	49.1	5.6	

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
IOI Additional Income												
Additional Income to Pre-tax for Fast Track companies and Post-tax for Slow Track												
IOI Additional Income per PCFM	Em 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.3	
Corporation tax rate when recognised in allowed revenue	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Post tax	Em 12/13	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.3	

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
Em Nominal												
Financial Year Average RPI (RPI)	Index	1.060	1.083	1.124	1.158	1.188	1.212	1.242	1.217			

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
Totex												
Latest Totex actuals/forecast	Em nominal	151.3	175.0	170.9	191.8	200.9	210.5	227.6	229.4	889.0	1,561.6	
Totex allowance including forecast allowed adjustments and uncertainty mechanisms	Em nominal	171.0	181.4	186.5	196.5	207.7	196.9	210.4	211.0	943.1	1,561.7	
Totex out(under)performance	Em nominal	19.7	7.5	15.6	4.7	6.7	(18.6)	(17.1)	(18.4)	54.2	0.1	
Funding Adjustment Rate (often referred to as 'sharing factor')	%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%	43.53%			
Customer share of out(under) performance	Em nominal	8.6	3.3	6.8	2.0	2.9	(8.1)	(7.4)	(8.0)	23.6	0.1	
NWO share of performance	Em nominal	11.1	4.2	8.8	2.6	3.8	(10.5)	(9.6)	(10.4)	30.6	0.1	
Enduring Value adjustments to Totex performance												
a) (Ending Value adjustment)	Em nominal	-	-	-	-	-	-	-	-	-	-	
b) (Ending Value adjustment)	Em nominal	-	-	-	-	-	-	-	-	-	-	
c) (Ending Value adjustment)	Em nominal	-	-	-	-	-	-	-	-	-	-	
d) (Ending Value adjustment)	Em nominal	-	-	-	-	-	-	-	-	-	-	
e) (Ending Value adjustment)	Em nominal	-	-	-	-	-	-	-	-	-	-	
f) (Ending Value adjustment)	Em nominal	-	-	-	-	-	-	-	-	-	-	
Total enduring value adjustments	Em nominal	-	-	-	-	-	-	-	-	-	-	
Ending Value: Customer share of performance	Em nominal	-	-	-	-	-	-	-	-	-	-	
Ending Value: NWO share of performance	Em nominal	-	-	-	-	-	-	-	-	-	-	
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	Em nominal	8.6	3.3	6.8	2.0	2.9	(8.1)	(7.4)	(8.0)	23.6	0.1	
NWO share of performance	Em nominal	11.1	4.2	8.8	2.6	3.8	(10.5)	(9.6)	(10.4)	30.6	0.1	
Total	Em nominal	19.7	7.5	15.6	4.7	6.7	(18.6)	(17.1)	(18.4)	54.2	0.1	

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
Totex Summary												
Total out(under) performance (including enduring value adjustments)												
Customer share of performance	Em nominal	8.6	3.3	6.8	2.0	2.9	(8.1)	(7.4)	(8.0)	23.6	0.1	
NWO share of performance	Em nominal	11.1	4.2	8.8	2.6	3.8	(10.5)	(9.6)	(10.4)	30.6	0.1	
Total	Em nominal	19.7	7.5	15.6	4.7	6.7	(18.6)	(17.1)	(18.4)	54.2	0.1	

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
IOI Additional Income												
Additional Income to Pre-tax for Fast Track companies and Post-tax for Slow Track												
IOI Additional Income per PCFM	Em nominal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.3	
Corporation tax rate when recognised in allowed revenue	%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Post tax	Em nominal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.8	1.3	

		Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period	Enduring Value Appendix in Commentary
		2016	2017	2018	2019	2020	2021	2022	2023			
Em Nominal												
Financial Year Average RPI (RPI)	Index	1.060	1.083	1.124	1.158	1.188	1.212	1.242	1.217			

R5 - Output Incentives
SSEH
2020

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Cumulative to 2020	R10-1 period
2016	2017	2018	2019	2020	2021	2022	2023		

Pre-tax Earned Incentives (Actuals may be updated once all incentives are determined)
 These values exclude any inflation, interest or time value of money adjustments 31/08/2020

	Em 12/13	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period
a Broad measure of customer service	Em 12/13	1.7	1.7	1.9	2.0	2.0	2.2	2.2	2.2	9.3	16.0
b Interruptions-related quality of service	Em 12/13	2.2	0.7	1.9	0.1	1.3	1.5	1.5	1.5	6.2	10.6
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	4.0	6.2
e Losses discretionary reward scheme	Em 12/13	-	0.5	-	-	-	-	-	-	0.5	0.5
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
g	Em 12/13	-	-	-	-	-	-	-	-	-	-
Earned Incentive revenue	Em 12/13	4.8	3.7	4.6	2.9	4.1	4.4	4.4	4.4	20.0	33.3

Additional Commentary

a	
b	
c	
d	
e	
f	
g	

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

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

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

	Em 12/13	2016	2017	2018	2019	2020	2021	2022	2023	Cumulative to 2020	R10-1 period
a Broad measure of customer service	Em 12/13	1.4	1.4	1.5	1.6	1.6	1.8	1.8	1.8	7.5	12.9
b Interruptions-related quality of service	Em 12/13	1.8	0.6	1.5	0.1	1.0	1.2	1.2	1.2	5.0	8.6
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	3.2	5.0
e Losses discretionary reward scheme	Em 12/13	-	0.4	-	-	-	-	-	-	0.4	0.4
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
g	Em 12/13	-	-	-	-	-	-	-	-	-	-
Post-Tax Earned Incentive revenue	Em 12/13	3.9	3.0	3.7	2.4	3.3	3.6	3.6	3.6	16.2	27.0

a Broad measure of customer service	Em 12/13	1.7	1.7	1.9	2.0	2.0	2.2	2.2	2.2	9.3	16.0
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	-	-
Post tax		1.4	1.4	1.5	1.6	1.6	1.8	1.8	1.8	7.5	12.9
b Interruptions-related quality of service	Em 12/13	2.2	0.7	1.9	0.1	1.3	1.5	1.5	1.5	6.2	10.6
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	-	-
Post tax		1.8	0.6	1.5	0.1	1.0	1.2	1.2	1.2	5.0	8.6
c Incentive on connections engagement	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	-	-
Post tax		-	-	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em 12/13	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	4.0	6.2
Corporation tax rate when recognised in allowed revenue	t+2	19%	19%	19%	19%	19%	19%	19%	19%	-	-
Post tax		0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	3.2	5.0
e Losses discretionary reward scheme	Em 12/13	-	0.5	-	-	-	-	-	-	0.5	0.5
Corporation tax rate when recognised in allowed revenue	t+1	20%	19%	19%	19%	19%	19%	19%	19%	-	-
Post tax		-	0.4	-	-	-	-	-	-	0.4	0.4
f	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	t+2	-	-	-	-	-	-	-	-	-	-
Post tax		-	-	-	-	-	-	-	-	-	-
g	Em 12/13	-	-	-	-	-	-	-	-	-	-
Corporation tax rate when recognised in allowed revenue	t+2	-	-	-	-	-	-	-	-	-	-
Post tax		-	-	-	-	-	-	-	-	-	-

Impact on Allowed Revenue within R10-1

This table shows the impact on allowed revenue in the relevant year - with actuals (subject to determination) and forecasts thereafter.
 The cells above the allowed revenue indicate the year of performance

	Performance Year	Pre-R10	Pre-R10	2016	2017	2018	2019	2020	2021
a Broad measure of customer service	Em nominal	0.6	1.0	1.8	1.8	2.1	2.3	2.4	2.7
b Interruptions-related quality of service	Em nominal	0.2	0.8	2.7	0.9	2.4	0.2	1.5	1.9
c Incentive on connections engagement	Em nominal	-	-	-	-	-	-	-	-
d Time to Connect Incentive	Em nominal	-	-	0.8	0.9	0.9	0.9	1.0	0.9
e Losses discretionary reward scheme	Em nominal	-	-	0.5	-	-	-	-	-
f	Em nominal	2016	2017	2018	2019	2020	2021	2022	2023
g	Em nominal	2016	2017	2018	2019	2020	2021	2022	2023
Total Impact on Allowed Revenue	Em nominal	0.8	1.9	5.9	3.6	5.4	3.4	4.9	5.5

Additional Commentary

a	
b	
c	
d	
e	
f	
g	

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
Opening Cash, short term deposits and overdrafts (per Balance Sheet)	-	-	-	-	-	-	-	-
Closing Cash, short term deposits and overdrafts (per Balance Sheet)	-	-	-	-	-	-	-	-
External borrowings, bonds, external loans and finance leases (+ve)	130.4	132.7	137.7	142.4	151.9	152.8	156.3	159.0
Loans from other group companies (+ve)	300.0	300.0	300.0	300.0	550.0	550.0	250.0	250.0
Loans to other group companies (-ve)	-	-	-	-	-	-	-	-
Other amounts due to/(from) group companies per Balance Sheet	235.3	273.4	278.9	299.8	155.6	155.6	155.6	155.6
Guarantees given on behalf of other group companies (per Notes to the Accounts) (+ve)	-	-	-	-	-	-	-	-
Currency SWAPS	-	-	-	-	-	-	-	-
Interest rate SWAPS	-	-	-	-	-	-	-	-
Inflation-linked SWAPS	-	-	-	-	-	-	-	-
Interest Rate Forward Contracts	-	-	-	-	-	-	-	-
Foreign exchange forward rate contracts	-	-	-	-	-	-	-	-
Other swaps, forward rate contracts & OTC options	-	-	-	-	-	-	-	-
Other derivatives including exchange traded futures and options	-	-	-	-	-	-	-	-
Total Debt per Statutory Accounts	665.6	706.1	716.6	742.2	857.5	858.4	856.9	856.6
Conversion to Regulatory (RIIO-1) Definition of Net Debt								
Unamortised Issue Costs	-	-	-	-	-	-	-	-
Fixed asset investments not readily convertible to cash	-	-	-	-	-	-	-	-
Preference shares	-	-	-	-	-	-	-	-
Long term loans (Not for benefit of regulated business or distribution in nature)	-	-	-	-	-	-	-	-
1. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
2. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
3. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
4. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
5. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
6. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
7. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
8. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
9. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
10. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
11. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
12. [Insert adjustment as necessary]	-	-	-	-	-	-	-	-
Total Net Debt per Regulatory (RIIO-1) definition	665.6	706.1	716.6	742.2	857.5	858.4	856.9	856.6
Forecast new debt/refinancing	-	-	-	-	-	-	295.0	392.0
Regulatory Net Debt including forecast new debt/refinancing	665.6	706.1	716.6	742.2	857.5	858.4	856.9	956.6
Opening Regulatory Net Debt including forecast new debt/refinancing	639.4	665.6	706.1	716.6	742.2	857.5	858.4	856.9
Closing Regulatory Net Debt including forecast new debt/refinancing	665.6	706.1	716.6	742.2	857.5	858.4	856.9	956.6
Allocation of net debt (Per regulatory definition, Transmission companies only)								
System operator allocation (transmission companies only)	%	0%	0%	0%	0%	0%	0%	0%
Transmission or distribution allocation	%	100%	100%	100%	100%	100%	100%	100%
Average Net Debt (per Regulatory Definition)								
Equity RAV	Em nominal	652.5	685.9	711.4	729.4	799.8	857.9	857.6
Average RAV	Em nominal	359.8	357.1	375.1	400.5	386.3	393.0	460.7
Actual Regulatory Gearing	%	1,012.3	1,043.0	1,086.5	1,129.9	1,186.2	1,250.9	1,318.4
Notional Gearing	%	64.5%	65.8%	65.5%	64.6%	67.4%	68.0%	65.1%
Gearing Ratio delta	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
NPV Neutral assumed Average Net Debt	Em 12/13	604.3	620.6	623.1	620.4	664.4	698.9	683.5
NPV Neutral assumed Equity RAV	Em 12/13	333.2	323.1	328.6	340.6	320.9	320.1	367.2
NPV Neutral assumed Average RAV	Em 12/13	937.5	943.7	951.6	961.0	985.3	1,019.0	1,050.7
Actual Regulatory Gearing	%	64.5%	65.8%	65.5%	64.6%	67.4%	68.0%	65.1%
Notional Gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Gearing Ratio delta	%	-0.5%	0.8%	0.5%	-0.4%	2.4%	3.6%	0.1%

RAV per latest published PCFM

The latest published PCFM does not account for the impact of the reporting years totex. This will be published in the forthcoming annual 31/08/2020

Closing RAV per latest published PCFM

Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
2016	2017	2018	2019	2020	2021	2022	2023
956.5	965.0	971.9	982.9	1,014.1	1,036.1	1,059.5	1,079.5

Revised RAV - including forecast totex, allowances and enduring value

Revised adjusted RAV including forecast totex, allowances and enduring value

Opening RAV (before transfers)

Em 12/13	953.2	956.5	965.0	971.9	982.9	1,020.9	1,050.2	1,084.4
----------	-------	-------	-------	-------	-------	---------	---------	---------

Transfers

Em 12/13	-	-	-	-	-	-	-	-
----------	---	---	---	---	---	---	---	---

Opening RAV (after transfers)

Em 12/13	953.2	956.5	965.0	971.9	982.9	1,020.9	1,050.2	1,084.4
----------	-------	-------	-------	-------	-------	---------	---------	---------

Net additions (after disposals)

Em 12/13	94.5	100.1	97.9	101.1	127.0	118.5	122.9	120.1
----------	------	-------	------	-------	-------	-------	-------	-------

Net additions (after disposals) - enduring value adjustment

Em 12/13	94.5	100.1	97.9	101.1	127.0	118.5	122.9	120.1
----------	------	-------	------	-------	-------	-------	-------	-------

Total Net Additions

Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.9)	(89.1)	(88.7)	(88.6)
----------	--------	--------	--------	--------	--------	--------	--------	--------

Depreciation

Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.9)	(89.1)	(88.7)	(88.6)
----------	--------	--------	--------	--------	--------	--------	--------	--------

Depreciation - enduring value adjustment

Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.9)	(89.1)	(88.7)	(88.6)
----------	--------	--------	--------	--------	--------	--------	--------	--------

Total Depreciation

Em 12/13	(91.1)	(91.6)	(91.0)	(90.1)	(88.9)	(89.1)	(88.7)	(88.6)
----------	--------	--------	--------	--------	--------	--------	--------	--------

[Input other adjustment]

Em 12/13								
----------	--	--	--	--	--	--	--	--

[Input other adjustment]

Em 12/13								
----------	--	--	--	--	--	--	--	--

Other adjustments

Em 12/13								
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Adjusted Closing RAV

Em 12/13	956.5	965.0	971.9	982.9	1,020.9	1,050.2	1,084.4	1,115.9
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Total enduring value and other adjustments

Em 12/13	-	-	-	-	-	-	-	-
----------	---	---	---	---	---	---	---	---

CHECK

	TRUE	TRUE	TRUE	TRUE	NA	NA	NA	NA
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Year end RPI

Index	1,048	1,103	1,140	1,172	1,196	1,220	1,250	1,285
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Financial Year Average RPI (RPI)

Index	1,060	1,083	1,124	1,158	1,188	1,212	1,242	1,277
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Index for Opening RAV conversion to nominal in yr 1

Index	1,053							
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Adjusted Closing RAV

Em nominal	1,021.3	1,064.7	1,108.3	1,151.5	1,220.8	1,281.0	1,355.8	1,434.2
------------	---------	---------	---------	---------	---------	---------	---------	---------

Cost of debt

annual real %	2.55%	2.42%	2.29%	2.09%	1.94%	1.78%	1.63%	1.48%
---------------	-------	-------	-------	-------	-------	-------	-------	-------

Cost of equity

annual real %	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
---------------	------	------	------	------	------	------	------	------

Notional gearing

%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
---	-------	-------	-------	-------	-------	-------	-------	-------

Vanilla WACC

annual real %	3.76%	3.67%	3.59%	3.46%	3.36%	3.26%	3.16%	3.06%
---------------	-------	-------	-------	-------	-------	-------	-------	-------

NPV-neutral debt element of RAV

Em 12/13	609.4	613.4	618.6	624.6	640.4	662.3	682.9	704.3
----------	-------	-------	-------	-------	-------	-------	-------	-------

NPV-neutral equity element of RAV

Em 12/13	328.1	330.3	333.1	336.3	344.8	356.6	367.7	379.2
----------	-------	-------	-------	-------	-------	-------	-------	-------

NPV-neutral RAV return base

Em 12/13	937.5	943.7	951.6	961.0	985.3	1,019.0	1,050.7	1,083.5
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Debt Return on RAV

Em 12/13	15.5	14.8	14.2	13.1	12.4	11.8	11.1	10.4
----------	------	------	------	------	------	------	------	------

Equity Return on RAV

Em 12/13	19.7	19.8	20.0	20.2	20.7	21.4	22.1	22.8
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Total return on RAV

Em 12/13	35.2	34.7	34.1	33.2	33.1	33.2	33.2	33.2
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NPV-neutral debt element of RAV

Em nominal	646.1	664.3	695.0	723.2	760.7	802.5	848.2	899.2
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NPV-neutral equity element of RAV

Em nominal	347.9	357.7	374.2	389.4	409.6	432.1	456.7	484.2
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Adjusted NPV-neutral average RAV

Em nominal	994.1	1,022.0	1,069.2	1,112.7	1,170.4	1,234.6	1,304.9	1,383.4
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Debt Return on RAV

Em nominal	16.5	16.1	15.9	15.1	14.8	14.3	13.8	13.3
------------	------	------	------	------	------	------	------	------

Equity Return on NPV-neutral RAV

Em nominal	20.9	21.5	22.5	23.4	24.6	25.9	27.4	29.1
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Total return on RAV

Em nominal	37.4	37.5	38.4	38.5	39.3	40.2	41.2	42.4
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Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast
2016	2017	2018	2019	2020	2021	2022	2023

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

Tax liability per latest submitted CT600 (pre-group relief)	Em nominal	13.0	15.9	16.0	16.1				
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Adjustments to remove non-regulated tax liability	Em nominal	0.2	0.4	0.5	(2.0)				
Tax on non-regulated activities	Em nominal								
[Insert adjustment as necessary]	Em nominal								
[Insert adjustment as necessary]	Em nominal								
[Insert adjustment as necessary]	Em nominal								
Non-regulated tax	Em nominal	0.2	0.4	0.5	(2.0)				

Other adjustments	Em nominal	0.2	0.4	1.1	0.7	1.0	0.6	0.9	1.0
Tax on output incentives	Em nominal								
Tax on IGI	Em nominal								
Collected revenue adjustment (K)	Em nominal								
Pension - timing adjustment	Em nominal								
Pension - disallowed contributions	Em nominal								
Tax on derivatives not disregarded	Em nominal	(0.2)	(0.3)	2.1	(0.1)				
Tax arising from MOD values	Em nominal								
Transfer Pricing	Em nominal	(0.2)	(0.1)	(0.1)	(0.1)				
[Insert adjustment as necessary]	Em nominal								
[Insert adjustment as necessary]	Em nominal								
[Insert adjustment as necessary]	Em nominal								
[Insert new rows here as necessary]	Em nominal								
Total other adjustments	Em nominal	(0.2)	(0.0)	3.1	0.4	1.0	0.6	0.9	1.0

Forecast regulated tax liability (including impact of enduring value adjustments)	Em nominal					13.2	16.2	15.7	13.6
Adjusted forecast regulated tax liability with timing differences	Em nominal	13.0	15.5	12.5	17.7	12.2	15.6	14.8	12.5

Financial year average RPI	Index	1.060	1.083	1.124	1.158	1.188	1.212	1.242	1.277
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Adjusted/forecast regulated tax liability with timing differences	Em 12/13	12.3	14.3	11.1	15.3	10.2	12.8	11.9	9.8
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Tax out(under)performance at notional gearing

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

Notional Gearing	%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Actual Gearing	%	64.5%	65.8%	65.5%	64.6%	67.4%	68.6%	65.1%	65.0%

Adjusted/forecast regulated tax liability with timing differences	Em nominal	13.0	15.5	12.5	17.7	12.2	15.6	14.8	12.5
Adjustment to regulatory tax cost relating to variance from notional gearing	Em nominal	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.2)	(0.0)	0.0
Revised regulated tax liability for comparison against allowance	Em nominal	13.1	15.5	12.5	17.7	12.1	15.4	14.8	12.5

Revised regulated tax liability for comparison against allowance	Em 12/13	12.3	14.3	11.1	15.3	10.1	12.7	11.9	9.8
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Allowance

The latest published PCFM does not account for the forecast TIM performance - and ultimate impact on tax allowance.

Tax Allowance per latest published PCFM	Em 12/13	10.0	10.8	11.4	10.4	9.7	10.7	10.4	10.7
Tax clawbacks	Em 12/13						(0.1)		
Net Tax Allowance	Em 12/13	10.0	10.8	11.4	10.4	9.7	10.6	10.4	10.7

Network operators should provide forecast allowances taking account of the latest totex, allowances, reopeners, enduring value adjustments - and other financial variables

Forecast tax allowance	Em 12/13	10.0	10.8	11.4	10.4	13.1	11.7	9.3	9.3
Forecast tax clawbacks	Em 12/13						(0.1)		
Net forecast tax allowance	Em 12/13	10.0	10.8	11.4	10.4	13.1	11.6	9.3	9.3

Reconciliation of forecast movement in allowance

Changes in corporation tax rates	Em 12/13					3.4	1.0	(1.1)	(1.4)
Tax allowance retained within deadband	Em 12/13					(0.1)	(0.1)	(0.1)	(0.1)
Other adjustments	Em 12/13								
Check	Em 12/13	OK	OK	OK	OK	OK	OK	OK	OK

Out(under) performance

Regulated tax out(under) performance at actual gearing	Em 12/13	(2.3)	(3.6)	0.3	(4.9)	2.9	(1.3)	(2.7)	(0.5)
---	----------	-------	-------	-----	-------	-----	-------	-------	-------

Regulated tax out(under) performance at notional gearing	Em 12/13	(2.3)	(3.5)	0.3	(4.9)	3.0	(1.1)	(2.6)	(0.5)
---	----------	-------	-------	-----	-------	-----	-------	-------	-------

Impact on out(under) performance relating to deviating from notional levels of gearing	Em 12/13	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	0.0
---	----------	-----	-------	-------	-----	-------	-------	-------	-----

Tax impact of financing performance (at actual gearing)	Em nominal	(1.6)	(0.7)	2.7	0.6	(0.0)	(0.6)	(2.1)	1.1
Tax impact of financing performance (at actual gearing)	Em 12/13	(1.6)	(0.6)	2.4	0.5	(0.0)	(0.5)	(1.7)	0.8
Tax impact of financing performance (at notional gearing)	Em nominal	(1.7)	(0.6)	2.8	0.6	0.1	(0.4)	(2.1)	1.1
Tax impact of financing performance (at notional gearing)	Em 12/13	(1.6)	(0.6)	2.4	0.5	0.1	(0.3)	(1.7)	0.8
Tax impact of financing performance relating to deviating from notional levels of gearing	Em 12/13	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	0.0

R11 - Dividends
SSEH
2020

Navigate

Dividend paid as per Statutory Accounts
 Less dividend paid not related to Regulated business
 [Insert adjustment as necessary]
 [Insert adjustment as necessary]
 [Insert new rows here as necessary]

Dividend paid relating to the Regulated Business

Shareholder loan interest (not included as Net Interest per Regulatory (RI10-1) definition)

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	N/A * 2021 *	N/A * 2022 *	N/A * 2023 *
Em nominal	50.0	50.0	20.0	20.0	85.0			
Em nominal								
Em nominal								
Em nominal	50.0	50.0	20.0	20.0	85.0			
Em nominal	-	-	-	-	-			

Licensee share of total pension deficit repair payment made for defined benefit scheme
Of which:
Established deficit element funded via specific allowances
Incremental deficit funded via totex

	Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
Em nominal 31/08/2020	8.4	8.0	3.6	-	-	-	-	-
Em nominal	8.4	8.0	3.6	-	-	-	-	-
Em nominal	-	-	-	-	-	-	-	-

Established deficit element funded via specific allowances

Em 12/13	7.9	7.4	3.2	-	-	-	-	-
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Established deficit (EDE) allowance as per PCFM
Less Pension Payment History Allowance (PPH)
Established deficit allowance less PPH

Em 12/13	12.9	12.9	12.9	12.9	0.7	-	-	-
Em 12/13	12.9	12.9	12.9	12.9	0.7	-	-	-
Em 12/13	-	-	-	-	-	-	-	-

Latest pension scheme valuation

Enter valuation date
31/03/2019

Price base

2018/19

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

Em

251.6

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

1,650.3

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

190.2

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

1,931.2

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

61.4

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

(280.9)

Licensee element of established deficit

20.5

Licensee element of incremental deficit

(160.1)

Navigate

Post-tax total fines and penalties (Including GS payments)

Em 12/13
31/08/2020

Actuals 2016	Actuals 2017	Actuals 2018	Actuals 2019	Actuals 2020	Forecast 2021	Forecast 2022	Forecast 2023
0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0

Ofgem related fines and penalties

[Insert detail of fine or penalty]

[Insert detail of fine or penalty]

[Insert new rows here as necessary]

Total Ofgem related fines and penalties

Any adjustment for tax

Post-tax total fines and penalties

Em nominal							
Em nominal							
Em nominal	-	-	-	-	-	-	-
Em nominal	-	-	-	-	-	-	-

Guaranteed Standard (GS) payments

Total GS payments

Any adjustment for tax

Post-tax total GS payments

Em nominal	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Em nominal							
Em nominal	0.0	0.1	0.1	0.1	0.1	0.1	0.1