

# NGN Mod186 Pricing Statement

Movement from June 2018

**we are  
the network**

ALLOWED REVENUE	16/17	17/18	18/19	19/20	20/21	21/22	
<b>JUNE</b>	<b>411.3</b>	<b>409.2</b>	<b>409.5</b>	<b>436.4</b>	<b>441.7</b>	<b>441.7</b>	
<b>Adjustments to Base Revenue via "MOD" (9/10 prices)</b>							
Cost of debt £ movement				(0.2)	0.1		
Totex Incentive				(0.3)	2.0		
Tax trigger - Corp. Tax rates long term impact			0.0	0.0	0.2		
Repex Tier 2a				0.2	0.0		
<b>"MOD" Adjustment</b>			<b>0.1</b>	<b>(0.4)</b>	<b>2.3</b>		
<b>Change in Inflation %</b>							
June (Based on HM Treasury May report)	2.1%	3.6%	3.3%	3.0%	3.1%		
September (Based on HM Treasury August report)	2.1%	3.7%	3.3%	3.1%	3.0%		
Cumulative change in inflation		0.2%	0.2%	0.3%	0.3%		
£ impact on change in inflation (including changes in "Mod" above)			(0.1)	1.3	2.3		
£ Impact of changes in RPI on RPI true up (relating to 17/18 and 18/19)				0.6	0.7		
<b>Total base revenue changes</b>				<b>1.6</b>	<b>5.3</b>		
<b>Incentive changes:</b>							
Customer				(0.2)	(0.0)		
Shrinkage/Leakage				(1.4)	(0.9)		
DRS				0.1			
Exit				0.0	0.2		
<b>Total</b>				<b>(1.5)</b>	<b>(0.8)</b>		
<b>Pass through changes:</b>							
Rates				(0.7)	(0.2)		
License Fee				0.4	0.4		
Shrinkage pass thru (gas price impact)				0.1	1.0		
<b>Total</b>				<b>(0.2)</b>	<b>1.1</b>		
Network Innovation		(0.1)		0.0	0.0		
K factor				(0.1)	(0.5)		
<b>SEPTEMBER</b>	<b>411.3</b>	<b>409.0</b>	<b>409.5</b>	<b>436.2</b>	<b>446.8</b>	<b>446.8</b>	
<b>Difference</b>		<b>(0.1)</b>		<b>(0.3)</b>	<b>5.1</b>	<b>5.1</b>	
<b>Total Price Change</b>	<b>June</b>	<b>4.3%</b>	<b>(3.5%)</b>	<b>(1.4%)</b>	<b>8.7%</b>	<b>4.1%</b>	<b>2.0%</b>
<b>Total Price Change</b>	<b>September</b>	<b>4.3%</b>	<b>(3.5%)</b>	<b>(1.4%)</b>	<b>8.4%</b>	<b>5.4%</b>	<b>2.0%</b>
<b>TOTAL PRICE CHANGE %</b>	<b>Difference</b>		<b>(0.0%)</b>	<b>(0.0%)</b>	<b>(0.3%)</b>	<b>1.3%</b>	<b>(0.0%)</b>

21/22 is illustrative only assuming flat revenues year on year. The final outcome could be significantly different to this.