

NGN Mod186 Pricing Statement

Movement from June 2019

**we are
the network**

ALLOWED REVENUE		18/19	19/20	20/21	21/22	22/23	23/24
JUNE		409.5	436.8	443.3	443.3	443.3	
Adjustments to Base Revenue via "MOD" (9/10 prices)							
Cost of debt % June		1.92%	1.59%	1.16%			
Cost of debt % September		1.92%	1.59%	1.10%			
Cost of debt £ movement				(0.5)			
Totex Incentive				(0.6)			
Tax trigger				(0.1)			
"MOD" Adjustment				(1.2)			
Change in Inflation %							
June (Based on HM Treasury May report)		3.1%	2.6%	2.8%			
September (Based on HM Treasury Aug report)		3.1%	2.7%	2.9%			
Difference			0.1%	0.1%			
Cumulative change in inflation			0.1%	0.2%			
£ impact on change in inflation (including changes in "Mod" above)			0.0	0.3			
Total base revenue changes			0.0	(0.9)			
Incentive changes:							
Customer			0.0	(0.2)			
Shrinkage/Leakage		(0.0)	(0.0)	(0.5)			
Total		(0.0)	(0.0)	(0.7)			
K factor		(0.0)	0.2	(0.1)			
SEPTEMBER		409.4	437.0	441.6	441.6	441.6	441.6
Difference		(0.1)	0.1	(1.6)	(1.6)	(1.6)	
Memo : In year (under)/over collection		(0.5)	12.2				
Total Price Change	June	(1.4%)	7.8%	4.3%	2.0%	2.0%	
Total Price Change	September	(1.4%)	7.8%	1.0%	2.1%	2.3%	2.6%
TOTAL PRICE CHANGE %	Difference	(0.0%)	0.0%	(3.3%)	0.1%	0.3%	

GD2 years are illustrative only assuming flat revenues year on year. The final outcome could be significantly different to this.