



**March 2024 MOD0186**

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# Key Updates for Cadent's March 2024 MOD0186

2024/25 Final Charges have now been set with charging statements to be released at the end of March 2024. These charges are in line with the Final Charges issued on the 31st January 2024.

For the MOD0186 report, there is no update or changes to the assumptions made when setting 24/25 Final Charges for the year ended March 2024. We have not updated information for the Spring OBR publication.

Key changes were shared and updated as part of the December MOD186 submission. Therefore, this submission has minimal impact to revenues in FY 25 and FY 26.

The forecast provided on the subsequent slide looks further forward to the next two years under the RII02 price control period.

# Movement in forecast Allowed Revenue

CADENT	24/25	25/26	TOTAL
<b>MOD0186 - Dec '23</b>	<b>2,099.9</b>	<b>2,356.6</b>	<b>4,456.6</b>
Adjustment term	4.1	7.3	11.4
<b>MOD0186 - Mar '24</b>	<b>2,104.1</b>	<b>2,363.9</b>	<b>4,468.0</b>
Movement	0.2%	0.3%	0.3%

## Overview

- **Adjustment term:** The change in the adjustment term in future years is in relation to current year.

# Appendix



DESCRIPTION	LICENCE TERM	PRICE BASE	2021/22	2022/23	2023/24	2024/25	2025/26
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## TABLE 1: ALLOWED REVENUE &amp; ARITHMETICAL PRICE CHANGE

ALLOWED REVENUE (AS PUBLISHED)	ARt	NOMINAL	646.1	921.5	811.9	719.6	813.1
TOTAL LDZ & CUSTOMER CHARGES ARITHMETICAL PRICE CHANGE (EXCL SOLR)		%	(3.2)%	(1.2)%	6.2%	4.4%	8.5%
TOTAL ECN CHARGES ARITHMETICAL PRICE CHANGE		%	161.5%	61.4%	(42.5)%	(17.6)%	89.4%
TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE		%	1.3%	42.6%	(11.9)%	(11.4)%	13.0%

## TABLE 2: ALLOWED REVENUE COMPOSITION

BASE REVENUE (INCLUDING TAX ALLOWANCE)		18/19	594.7	747.8	649.2	591.1	601.2
TOTAL OUTPUT DELIVERY INCENTIVE	ODIt	18/19	-	0.6	2.5	3.1	3.2
BUSINESS PLAN INCENTIVE	BPIt	18/19	0.0	0.2	0.2	0.2	0.2
OTHER REVENUE ALLOWANCES	ORAt	18/19	5.5	4.7	5.2	14.4	14.5
OTHER REVENUE TOTAL (inc. SIU/Cross subsidy adj.)	CSUBt/DRSt	18/19	-	-	-	-	-
TOTAL CALCULATED REVENUE (FIXED 18/19 PRICES)	Rt	18/19	600.2	753.4	657.2	608.9	619.2

FORECAST INFLATION FACTOR; CPIH (AS PUBLISHED)	PIt / PI2018/19		1.053	1.119	1.241	1.292	1.314
INFLATION TRUE-UP TO NOMINAL PRICES		NOMINAL	31.5	89.6	158.5	177.7	194.4
TOTAL CALCULATED REVENUE NOMINAL (AS PUBLISHED)	Rt	NOMINAL	631.8	842.9	815.7	786.6	813.6

ADJUSTMENT TERM (prior years movement in allowances)	ADJt	NOMINAL	(0.5)	48.4	(5.9)	(68.7)	-
CORRECTION TERM; K FACTOR	Kt	NOMINAL	2.3	(0.1)	2.6	-	-
LEGACY REVENUE	LARt	NOMINAL	12.5	30.3	(0.5)	1.7	(0.5)
ALLOWED REVENUE (AS PUBLISHED)	ARt	NOMINAL	646.1	921.5	811.9	719.6	813.1

DESCRIPTION	LICENCE TERM	PRICE BASE	2021/22	2022/23	2023/24	2024/25	2025/26
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**TABLE 1: ALLOWED REVENUE & ARITHMETICAL PRICE CHANGE**

<b>ALLOWED REVENUE (AS PUBLISHED)</b>	<b>ARt</b>	<b>NOMINAL</b>	<b>468.4</b>	<b>651.1</b>	<b>514.5</b>	<b>519.1</b>	<b>567.4</b>
TOTAL LDZ & CUSTOMER CHARGES ARITHMETICAL PRICE CHANGE (EXCL SOLR)		%	4.0%	5.6%	(10.6)%	16.7%	6.0%
TOTAL ECN CHARGES ARITHMETICAL PRICE CHANGE		%	78.7%	47.9%	(41.6)%	(14.5)%	89.9%
<b>TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE</b>		<b>%</b>	<b>1.6%</b>	<b>39.0%</b>	<b>(21.0)%</b>	<b>0.9%</b>	<b>9.3%</b>

**TABLE 2: ALLOWED REVENUE COMPOSITION**

BASE REVENUE (INCLUDING TAX ALLOWANCE)		18/19	428.8	522.0	449.0	422.5	427.1
TOTAL OUTPUT DELIVERY INCENTIVE	ODIt	18/19	-	1.0	1.7	2.4	2.8
BUSINESS PLAN INCENTIVE	BPIt	18/19	0.0	(0.0)	(0.0)	(0.0)	(0.0)
OTHER REVENUE ALLOWANCES	ORAt	18/19	3.2	2.6	2.9	8.1	8.2
OTHER REVENUE TOTAL (inc. SIU/Cross subsidy adj.)	CSUBt/DRSt	18/19	-	-	-	-	-
<b>TOTAL CALCULATED REVENUE (FIXED 18/19 PRICES)</b>	<b>Rt</b>	<b>18/19</b>	<b>432.0</b>	<b>525.6</b>	<b>453.6</b>	<b>433.1</b>	<b>438.0</b>

FORECAST INFLATION FACTOR; CPIH (AS PUBLISHED)	<i>PIt / PI2018/19</i>		1.0525	1.1189	1.2412	1.2919	1.3140
INFLATION TRUE-UP TO NOMINAL PRICES		NOMINAL	22.7	62.5	109.4	126.4	137.5
<b>TOTAL CALCULATED REVENUE NOMINAL (AS PUBLISHED)</b>	<b>Rt</b>	<b>NOMINAL</b>	<b>454.6</b>	<b>588.0</b>	<b>563.0</b>	<b>559.5</b>	<b>575.6</b>

ADJUSTMENT TERM (prior years movement in allowances)	ADJt	NOMINAL	0.8	35.1	(44.7)	(35.4)	-
CORRECTION TERM; K FACTOR	Kt	NOMINAL	1.7	(2.3)	3.2	-	-
LEGACY REVENUE	LARt	NOMINAL	11.3	30.3	(7.1)	(5.0)	(8.2)
<b>ALLOWED REVENUE (AS PUBLISHED)</b>	<b>ARt</b>	<b>NOMINAL</b>	<b>468.4</b>	<b>651.1</b>	<b>514.5</b>	<b>519.1</b>	<b>567.4</b>

DESCRIPTION	LICENCE TERM	PRICE BASE	2021/22	2022/23	2023/24	2024/25	2025/26
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## TABLE 1: ALLOWED REVENUE &amp; ARITHMETICAL PRICE CHANGE

ALLOWED REVENUE (AS PUBLISHED)	ARt	NOMINAL	453.2	\	589.0	488.5	557.9
TOTAL LDZ & CUSTOMER CHARGES ARITHMETICAL PRICE CHANGE (EXCL SOLR)		%	(5.5)%	3.0%	7.4%	(2.0)%	10.0%
TOTAL ECN CHARGES ARITHMETICAL PRICE CHANGE		%	(4.1)%	22.5%	(28.2)%	(23.4)%	92.9%
TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE		%	(4.9)%	41.3%	(8.0)%	(17.1)%	14.2%

## TABLE 2: ALLOWED REVENUE COMPOSITION

BASE REVENUE (INCLUDING TAX ALLOWANCE)		18/19	414.0	521.0	458.8	408.5	413.2
TOTAL OUTPUT DELIVERY INCENTIVE	ODIt	18/19	-	0.1	2.3	2.3	2.4
BUSINESS PLAN INCENTIVE	BPIt	18/19	0.0	(0.0)	(0.0)	(0.0)	(0.0)
OTHER REVENUE ALLOWANCES	ORAt	18/19	3.7	3.1	3.5	9.6	9.7
OTHER REVENUE TOTAL (inc. SIU/Cross subsidy adj.)	CSUBt/DRSt	18/19	-	-	-	-	-
TOTAL CALCULATED REVENUE (FIXED 18/19 PRICES)	Rt	18/19	417.7	524.2	464.5	420.4	425.3

FORECAST INFLATION FACTOR; CPIH (AS PUBLISHED)	PIt / PI2018/19		1.0525	1.1189	1.2412	1.2919	1.3140
INFLATION TRUE-UP TO NOMINAL PRICES		NOMINAL	21.9	62.3	112.0	122.7	133.5
TOTAL CALCULATED REVENUE NOMINAL (AS PUBLISHED)	Rt	NOMINAL	439.6	586.6	576.5	543.1	558.8

ADJUSTMENT TERM (prior years movement in allowances)	ADJt	NOMINAL	(2.0)	33.9	1.2	(54.4)	-
CORRECTION TERM; K FACTOR	Kt	NOMINAL	1.7	2.6	11.8	-	-
LEGACY REVENUE	LARt	NOMINAL	13.9	17.5	(0.6)	(0.3)	(0.9)
ALLOWED REVENUE (AS PUBLISHED)	ARt	NOMINAL	453.2	640.5	589.0	488.5	557.9

DESCRIPTION	LICENCE TERM	PRICE BASE	2021/22	2022/23	2023/24	2024/25	2025/26
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## TABLE 1: ALLOWED REVENUE &amp; ARITHMETICAL PRICE CHANGE

ALLOWED REVENUE (AS PUBLISHED)	ARt	NOMINAL	338.1	484.0	415.0	376.9	425.6
TOTAL LDZ & CUSTOMER CHARGES ARITHMETICAL PRICE CHANGE (EXCL SOLR)		%	(7.0)%	3.8%	0.4%	8.2%	9.0%
TOTAL ECN CHARGES ARITHMETICAL PRICE CHANGE		%	30.0%	39.4%	(43.4)%	(7.2)%	92.2%
TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE		%	(3.9)%	43.1%	(14.2)%	(9.2)%	12.9%

## TABLE 2: ALLOWED REVENUE COMPOSITION

BASE REVENUE (INCLUDING TAX ALLOWANCE)		18/19	318.6	398.4	343.6	311.5	315.7
TOTAL OUTPUT DELIVERY INCENTIVE	ODIt	18/19	-	0.1	1.1	1.8	1.8
BUSINESS PLAN INCENTIVE	BPIt	18/19	0.0	(0.0)	(0.0)	(0.0)	(0.0)
OTHER REVENUE ALLOWANCES	ORAt	18/19	2.7	2.3	2.6	7.0	7.1
OTHER REVENUE TOTAL (inc. SIU/Cross subsidy adj.)	CSUBt/DRSt	18/19	-	-	-	-	-
TOTAL CALCULATED REVENUE (FIXED 18/19 PRICES)	Rt	18/19	321.3	400.8	347.3	320.2	324.6

FORECAST INFLATION FACTOR; CPIH (AS PUBLISHED)	PIt / PI2018/19		1.0525	1.1189	1.2412	1.2919	1.3140
INFLATION TRUE-UP TO NOMINAL PRICES		NOMINAL	16.9	47.6	83.8	93.5	101.9
TOTAL CALCULATED REVENUE NOMINAL (AS PUBLISHED)	Rt	NOMINAL	338.2	448.5	431.0	413.7	426.5

ADJUSTMENT TERM (prior years movement in allowances)	ADJt	NOMINAL	(1.6)	28.5	(16.6)	(35.9)	-
CORRECTION TERM; K FACTOR	Kt	NOMINAL	1.4	0.9	1.4	-	-
LEGACY REVENUE	LARt	NOMINAL	0.1	6.1	(0.9)	(0.9)	(0.9)
ALLOWED REVENUE (AS PUBLISHED)	ARt	NOMINAL	338.1	484.0	415.0	376.9	425.6