

MOD 186

26 March 2024



Movements since 23 January 2024

		2021/22	2022/23	2023/24	2024/25	2025/26	Explanation
		£'m nominal					
Reported at the last DNCFM (23 January 2024)		444.9	611.7	573.5	531.9	591.6	
Shrinkage	↓	-	-	-	-	(13.3)	Updated for revised shrinkage costs for 2023/24 reflecting actuals to February 2024 and a revised forecast for March 2024 reducing revenues in 2025/26 by £3.7m. Forecasts for 2024/25 and 2025/26 have been updated based on an average of forward looking gas prices during February 2024 that result in a combined revenue reduction of £9.6m in 2025/26.
Reported in the latest MOD186 (26 March 2024)		444.9	611.7	573.5	531.9	578.3	
Net Movement	↓	-	-	-	-	(13.3)	

Additional comments

- Shrinkage

Shrinkage costs for 2023/24 have been updated to reflect actual costs to February 2024 with an expected 71.6p per therm for the month of March which gives rise to a revenue reduction of £3.7m in 2025/26. For 2024/25 and 2025/26, an average of 72.2p and 79.1p per therm has been estimated respectively compared to 127.4p and 111.1p per therm in the January MOD186, which gives rise to 2025/26 revenue reductions of £6.2m in relation to 2024/25 and £4.3m in relation to 2025/26.

Important notice

- This information is submitted in fulfilment of the UNC in that forecast allowed revenue must be shared (“the Forecasts”). No representation as to the accuracy of the Forecasts or any other information is made in this report. The Forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by the Forecasts. This document should not be relied on as a guide to future performance and should not be relied on by any person in deciding whether to undertake future investment.
- To adhere to the five year tariff forecast obligation under the UNC, we have included a forecast for the first three years of GD3 price control. As discussions with Ofgem regarding GD3 have not yet begun we have no basis to include any forecasts, as a result WWU have taken the approach of rolling forward revenue levels from 2025/26 with an inflationary increase. This approach does not represent WWUs view of GD3 revenues. These revenues could be materially different to the figures quoted and any use of 2026/27, 2027/28 or 2028/29 tariff forecasts should be done so recognising this uncertainty.
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Thank you

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