

September 2017 Mod186 Pricing Statement

Movement from June 17



Key movements from June 17

ALLOWED REVENUE	16/17	17/18	18/19	19/20	20/21	21/22	
JUNE	411.6	409.2	403.5	435.1	442.4	459.6	
Adjustments to Base Revenue via "MOD" (9/10 prices)							
Cost of debt £ movement		0.0	0.0	0.2	0.7		
Totex Incentive	0.0	(0.0)	1.6	1.4	0.0		
Tax trigger - Corp. Tax rates long term impact	(0.0)	(0.0)	0.0	(0.2)	(0.2)		
Repex Tier 2a	0.0	0.0	(0.1)	(0.0)	(0.0)		
"MOD" Adjustment		(0.0)	1.5	1.3	0.6		
Change in Inflation %							
% RPI Difference between June & September			0.0%	(0.2%)	(0.2%)		
£ impact on change in inflation (including changes in "Mod" above)	0.0	0.0	0.7	(0.1)	(1.4)		
£ Impact of changes in RPI on RPI true up (relating to 17/18)				0.1	0.0		
Total base revenue changes			2.2	1.3	(0.8)		
Incentive changes:							
Customer			0.4	0.1	0.1		
Shrinkage/Leakage			2.1	2.3	2.3		
Exit			0.0	0.4	0.3		
Total			2.5	2.7	2.8		
Pass through changes:							
Exit Capacity			(0.0)	(0.1)	(0.2)		
Shrinkage pass thru (gas price impact)			(0.3)	(0.4)	(0.3)		
Total	(0.2)		(0.3)	(0.5)	(0.5)		
Network Innovation	(0.1)		0.0	0.0	(0.0)		
K factor			(0.3)	(0.6)	(0.0)		
SEPTEMBER	411.3	409.2	407.7	438.0	443.8	443.8	
Difference	(0.3)		4.2	2.9	1.4	(15.7)	
PRICE CHANGE % IMPACT							
	16/17	17/18	18/19	19/20	20/21	21/22	
Total Price Change	June	4.3%	(3.5%)	1.5%	10.7%	5.3%	8.7%
Total Price Change	September	4.3%	(3.5%)	(1.3%)	9.3%	3.9%	2.0%
TOTAL PRICE CHANGE %	Difference	0.0%	(0.0%)	(2.8%)	(1.5%)	(1.4%)	(6.7%)

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