

NGN Mod186 Pricing Statement

Movement from December 2022 to March 2023

**we are
the network**

Summary of updates Dec 22 to Mar 23 – largest movements:

- **Shrinkage:**

- Our current forecasts include the following Heren prices:

Year	Mar 23 £/therm	Dec 22 £/therm
22/23	2.19	2.37
23/24	3.03	3.58
24/25	2.24	2.49
25/26	1.59	1.17

- **SOLR:**

- The SOLR claims have been finalised as £25.9M for 23/24, compared to the £21.4M that was indicated in the minded to decision letters dated 4 November 2022

- **Rates**

- Finalised rateable values issued in the final PCFM, were higher for 24/25 and 25/26 than our estimated position in December, the net position since September still demonstrates a reduction of £27.1M across GD2.

Mod 186 - December 2022 to March 2023

	21/22	22/23	23/24	24/25	25/26	GD2	
Mod 186 : December	Calculated revenue	430.7	566.2	575.2	554.5	546.7	
	AIP adjustment term	-	23.3	(6.0)	-	-	
	Adjusted revenue	430.7	589.6	569.2	554.5	546.7	2,691
	Legacy Allowed Revenue	(13.8)	10.8	0.1	0.7	0.4	
	K Correction Factor	0.2	0.4	1.4	-	-	
	Allowed Revenue	417.2	600.7	570.7	555.2	547.1	2,691
	Recovered Revenue	421.2	598.6	570.7	555.2	547.1	
	Inflation %	4.5%	8.8%	5.2%	0.3%	(0.5)%	
	SOQ % Change	1.4%	(0.1)%	(5.3)%	-	-	
LDZ Price Change	(13.7)%	15.4%	19.9%	0.4%	(1.5)%		
Mod 186 : Latest Position	Calculated revenue	430.7	566.2	571.8			
	AIP adjustment term	-	23.3	(7.7)			
	Adjusted revenue	430.7	589.6	564.1	554.4	550.3	2,689
	Legacy Allowed Revenue	(13.8)	10.8	0.1	0.7	0.4	
	K Correction Factor	0.2	0.4	1.4	-	-	
	Allowed Revenue	417.2	600.7	565.6	555.1	550.8	2,689
	Recovered Revenue	421.2	596.8	565.2	555.1	550.8	
	Inflation %	4.5%	8.8%	5.2%	0.3%	(0.5)%	
	SOQ % Change	1.4%	(0.1)%	(7.4)%	-	-	
LDZ Price Change	(13.7)%	15.4%	20.4%	2.1%	(0.8)%		
Difference	Calculated revenue	-	-	(3.4)			
	AIP adjustment term	-	-	(1.7)			
	Adjusted revenue	-	-	(5.1)	(0.2)	3.7	(2)
	Legacy Allowed Revenue	-	-	-	-	-	
	K Correction Factor	-	-	-	-	-	
	Allowed Revenue	-	-	(5.1)	(0.2)	3.7	(1.6)
	Recovered Revenue	-	(1.8)	(5.5)	(0.2)	3.7	
	Inflation %	-	-	-	-	-	
	SOQ % Change	-	-	(2.0)%	-	-	
LDZ Price Change	-	-	0.5%	1.7%	0.7%		

Movements from December 2022 to March 2023

Breakdown of movements		23/24 Breakdown			24/25	25/26	GD2
		Adj impact from 22/23	Reforecast 23/24	Total	Reforecast	Reforecast	
Adjusted Revenue movements	Shrinkage	(1.9)	(5.2)	(7.1)	(2.3)	(0.8)	(10.2)
	Rates	(0.6)	(1.3)	(1.8)	1.9	4.1	4.1
	Last resort claims	-	3.1	3.1			3.1
	Other	0.8	(0.0)	0.8	0.3	0.4	1.5
	Total movement	(1.7)	(3.4)	(5.1)	(0.2)	3.7	(1.6)
Other	Legacy finalisation			-			-
	Total Legacy	-	-	-	-	-	-
	K correction						-
TOTAL REVENUE MOVEMENTS		(1.7)	(3.4)	(5.1)	(0.2)	3.7	(1.6)

Pipeline of re-opener applications

RRP Table 11.05	HSE policy re-opener	Specified Streetworks Costs Re-opener
21/22	0.5	2.3
22/23	1.5	2.9
23/24	6.5	2.8
24/25	10.0	2.9
25/26	10.0	2.5

These are the largest reopeners as presented in Table 11.05 in RRP. Note this is the expenditure level increase not revenue – revenue increase would be smaller due to fast/slow money mechanics.