

DN Charging Methodology Forum

SGN March 2021 Mod 186 Summary

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Key Revenue Changes

- The March 2021 MOD186 is consistent with the tariffs published SGN on 31 January.
- EXt includes final forecast for 2021/22 incorporating NTS RRC, impacting charges in 2023/24 on two year lag.
- The format of the current MOD186 report is designed to record GD1 revenues, as a result, March report reflects all GD2 revenues in Row Ref 5:9 and in 09/10 prices in line with GD1.
- The GD1 'lagged' items have been reported as usual in the individual lines.
- For GD1 lagged items RPI has been updated using the February 2021 HM Treasury forecast.
- Inflation from 18/19 prices for GD2 allowances is consistent with Ofgem's Final Determination.



DESCRIPTION	LICENCE TERM	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
TABLE 1: TOTAL CHARGE ELEMENTS (LDZ + CUSTOMER + ECN)							
OPENING BASE REVENUE ALLOWANCE (2009/10 PRICES)	PUt	0.0	5.6	5.3	5.0	6.0	6.4
PRICE CONTROL FINANCIAL MODEL ITERATION ADJUSTMENT (2009/10 PRICES)	MODt	0.0	0.0	0.0	0.0	0.0	0.0
RPI TRUE UP (2009/10 PRICES)	TRUt	0.0	0.0	0.0	0.0		
UPLIFT TO NOMINAL PRICES USING RPIfT		0.0	2.6	2.7	2.7	3.3	3.6
BASE REVENUE (NOMINAL)	BRt	0.0	8.2	8.0	7.7	9.3	10.0
NTS EXIT CAPACITY INCENTIVE REVENUE ADJUSTMENT	EIt	0.0	0.0	0.0	0.0	0.0	0.0
NTS EXIT CAPACITY COST ADJUSTMENT		0.0	0.0	-0.4	0.0	0.0	0.0
NTS EXIT CAPACITY REVENUE ADJUSTMENT	EXt	0.0	0.0	-0.4	0.0	0.0	0.0
SHRINKAGE INCENTIVE REVENUE ADJUSTMENT	SHRRt	0.0	0.0	0.0	0.0	0.0	0.0
SHRINKAGE COST ADJUSTMENT	SHRAt	0.0	0.0	0.0	0.0	0.0	0.0
SHRINKAGE REVENUE ADJUSTMENT	SHRt	0.0	0.0	-0.1	0.0	0.0	0.0
MAXIMUM ALLOWED REVENUE	ARt	0.0	8.2	7.5	7.7	9.3	10.0
COLLECTABLE REVENUE	Rt	0.0	0.0	0.0	0.0	0.0	0.0
UNDER / OVER RECOVERY CARRIED FORWARDS	ARt - Rt	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE		-	+0.8%	+0.6%	+1.9%	+1.5%	+2.2%



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SCOTLAND DISTRIBUTION NETWORK

**KEY REVENUE MOVEMENTS DECEMBER 20 TO
MARCH 21**

DESCRIPTION	LICENCE TERM	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		TABLE 1: TOTAL CHARGE ELEMENTS (LDZ + CUSTOMER + ECN)					
FORECAST RPI FACTOR	RPIft	0.00	0.00	0.00	0.00	0.00	0.00
ASSUMED ANNUAL INFLATION FOR PRICE SETTING (RPIft as a %)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ACTUAL / FORECAST ANNUAL INFLATION		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
OPENING BASE REVENUE ALLOWANCE (2009/10 PRICES)	PUt	0.0	-2.5	-3.2	-2.6	-2.5	-2.6
UPLIFT TO NOMINAL PRICES USING RPIft		0.0	6.2	5.9	6.1	6.3	6.2
BASE REVENUE (NOMINAL)	BRt	0.0	3.6	2.7	3.6	3.8	3.6
NTS EXIT CAPACITY INCENTIVE REVENUE ADJUSTMENT	Elt	0.0	0.0	0.0	0.0	0.0	0.0
NTS EXIT CAPACITY COST ADJUSTMENT		0.0	0.0	1.1	0.0	0.0	0.0
NTS EXIT CAPACITY REVENUE ADJUSTMENT	Ext	0.0	0.0	1.1	0.0	0.0	0.0
MAXIMUM ALLOWED REVENUE	ARt	0.0	3.6	3.7	3.6	3.8	3.6
COLLECTABLE REVENUE	Rt	0.0	0.0	0.0	0.0	0.0	0.0
UNDER / OVER RECOVERY CARRIED FORWARDS	ARt - Rt	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE		-	+0.9%	+8.4%	(4.0%)	+0.7%	+0.9%



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SGN GD2 Price Changes

Network	2021/22	2022/23	2023/24	2024/25	2025/26
Southern	-11.1%	0.6%	1.9%	1.5%	2.2%
Scotland	-7.8%	8.4%	-4.0%	0.7%	0.9%