

DN Charging Methodology Forum

SGN June 2021 Mod 186 Summary

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Key Revenue Changes

GD1 Updates

- RPIA finalised for 2020/21,
- PTt updated pass-through reflecting final 2020/21 position;
- EEIt & SHRAt reflects final 2020/21 position;

GD2 updates

- Tax super deductions excluded from Ofgem's June PCFM. Impact to be included in Sept MOD186 once the methodology is finalised with Ofgem;
- Ofgem's June PCFM aligned to final 2021/22 tariff position;
- GD2 figures include updated NTS and Shrinkage costs;
- GD2 figures include corporation tax increase from 2023/24;
- Inflation used consistent with Ofgem's June PCFM;



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SOUTHERN DISTRIBUTION NETWORK

KEY REVENUE MOVEMENTS MARCH 21 TO JUNE 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		0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%
ASSUMED ANNUAL INFLATION FOR PRICE SETTING			0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%
ACTUAL / FORECAST ANNUAL INFLATION			-0.5%	0.2%	-0.1%	0.0%	0.0%	0.0%
DIFFERENCE (DRIVES t+2 RPI TRUE UP)			-0.5%					
OPENING BASE REVENUE ALLOWANCE (2009/10 PRICES)	PUt		0.0	-7.0	3.7	13.9	7.9	7.9
RPI TRUE UP (2009/10 PRICES)	TRUt		0.0	0.0	-3.0	0.0		
UPLIFT TO NOMINAL PRICES USING RPIft			0.0	7.0	0.3	10.3	8.0	6.2
BASE REVENUE (NOMINAL)	BRt		0.0	0.0	1.0	24.2	15.9	14.1
BUSINESS RATES ADJUSTMENT	RBt		0.0	0.0	1.2	0.0	0.0	0.0
PASS THROUGH	PTt		0.0	0.0	1.2	0.0	0.0	0.0
NTS EXIT CAPACITY COST ADJUSTMENT			0.0	0.0	0.3	0.0	0.0	0.0
NTS EXIT CAPACITY REVENUE ADJUSTMENT	EXt		0.0	0.0	0.3	0.0	0.0	0.0
SHRINKAGE INCENTIVE REVENUE ADJUSTMENT	SHRRt		0.0	0.0	-0.1	0.0	0.0	0.0
SHRINKAGE COST ADJUSTMENT	SHRAt		0.0	0.0	0.7	0.0	0.0	0.0
ENVIRONMENTAL EMISSIONS INCENTIVE REVENUE ADJUSTMENT	EEIt		0.0	0.0	-1.5	0.0	0.0	0.0
MAXIMUM ALLOWED REVENUE	ARt		0.0	0.0	1.6	24.2	15.9	14.1
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			-	+0.0%	+0.2%	+3.2%	(1.2%)	(0.3%)





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SCOTLAND DISTRIBUTION NETWORK

KEY REVENUE MOVEMENTS MARCH 21 TO JUNE 21

DESCRIPTION	LICENCE TERM	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
TABLE 1: TOTAL CHARGE ELEMENTS (LDZ + CUSTOMER + ECN)							
ACTUAL / FORECAST ANNUAL INFLATION		-0.5%	0.2%	-0.1%	0.0%	0.0%	0.0%
DIFFERENCE (DRIVES t+2 RPI TRUE UP)		-0.5%					
OPENING BASE REVENUE ALLOWANCE (2009/10 PRICES)	PUt	0.0	-3.3	0.1	6.0	3.6	3.2
RPI TRUE UP (2009/10 PRICES)	TRUt	0.0	0.0	-1.3	0.0	0.0	0.0
UPLIFT TO NOMINAL PRICES USING RPIft		0.0	3.3	0.5	2.1	1.3	2.8
BASE REVENUE (NOMINAL)	BRt	0.0	0.0	-0.7	8.1	4.9	6.1
BUSINESS RATES ADJUSTMENT	RBt	0.0	0.0	-0.2	0.0	0.0	0.0
PASS THROUGH	PTt	0.0	0.0	-0.2	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	0.2	0.0	0.0	0.0
SHRINKAGE REVENUE ADJUSTMENT	SHRt	0.0	0.0	0.2	0.0	0.0	0.0
ENVIRONMENTAL EMISSIONS INCENTIVE REVENUE ADJUSTMENT	EEIt	0.0	0.0	-0.1	0.0	0.0	0.0
MAXIMUM ALLOWED REVENUE	ARt	0.0	0.0	-0.8	8.1	4.9	6.1
TOTAL DISTRIBUTION CHARGES ARITHMETICAL PRICE CHANGE		(0.0%)	+0.0%	(0.2%)	+2.5%	(1.0%)	+0.3%