

June 2020  
MOD 186

Accompanying Narrative



# Movement Since March 2020

		2019/20	2020/21	2021/22	2022/23	2023/24	Explanation
Reported at the last DNCFM		474.9	438.7	485.2	506.7	516.8	
Collected Revenue	↑	-	-	(0.4)	1.7	-	Updates to 2019/20 and 20/21 collected revenue forecast
Updated gas prices	↓	-	-	(0.0)	(0.9)	-	Decrease in long term gas price forecast
Theft of gas 19/20	↓	(0.1)	-	-	-	-	Update to reflect revenue recovered in 19/20
NTS costs	↑	-	-	5.2	9.3	9.4	Costs reflect NTS final price notice published on 5 June under 'Postage Stamp' methodology.
Interest rate	↑	-	0.2	(0.0)	(0.0)	-	Interest rate decrease to 0.1%
Reported in the latest MOD186		474.8	438.9	490.0	516.8	526.2	
Net Movement	↑	(0.1)	0.2	4.8	10.1	9.4	

# Additional Comments

- NTS price notice published

Following Ofgem's approval of MOD 678A, NTS published a price notice on 5 June under the postage stamp methodology. Prices have increased by c.14% for the period October 20 to September 21, as compared with the prices generated by the National Grid sensitivity tool published in March 2019 as part of the MOD 678 working group. The price increase reflects a NTS revenue under collection forecast in the period April to September 20.

- Collected Revenue

Updates to 2020/21 revenue following price changes on 1 April.

- Gas price Forecast

Gas price forecasts continue to decrease, which increases our negative cost true up in future years.

- RIIO GD2

No dates have yet been rescheduled for GDN open hearings. Draft determinations are due in the second week of July.

# Important Notice

This information is submitted in fulfilment of the UNC in that forecast allowed revenue must be shared. No representation as to the accuracy of forecast information or any other information is made in this report. These 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 these forecasts. This document should not be relied on as a guide to future performance, and should not be relied on in deciding whether to undertake future investment. It should be noted that auditors have not reviewed the information in this document.

Furthermore certain information presented is done so to maintain consistency between networks, most notably RPI forecasts which reflect the latest published view by HM Treasury and consequently can be different from the expected outturn internally which may use other information to inform forecasting.

Thank you

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