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MOD186 Commentary presented at DCMF

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Allowed Revenue Trace

		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Reported at Last DCFM		400.10	412.46	392.52	408.03	433.42	448.37	460.59	465.64
Updated to reflect final Stakeholder reward score and uplifted future years to be no lower than this score.	↑				1.06	1.23	1.26	1.34	1.37
Updated to reflect final DRS score	↑				0.50				
Updated for latest Treasury Forecasts	↓			0.01	- 0.99	- 0.64	- 0.58	- 0.64	- 0.29
Updated for latest collected/collectable forecast following AQ reduction window closure	↓					- 1.50			
Updated for forecasted Gas Prices, impacting Shrinkage incentive adjustments	↓				- 0.12	- 1.71	- 2.09	- 2.13	- 2.15
Adjusted to reflect indicative MODt adjustment, including forecasts to 2020/21 adjusting for WWU assessment of WACC.	↓		0.02	- 0.00	- 5.04	- 4.40	- 4.57	- 4.23	- 5.55
Adjustment to MODt due to reduction in Corporation Tax	↑				1.42	- 1.47	0.14	0.13	0.17
Current Forecast Allowed Revenue		400.10	412.48	392.53	404.86	424.94	442.53	455.06	459.18
Movement	Net	0.00	0.02	0.01	-3.17	-8.48	-5.84	-5.53	-6.46

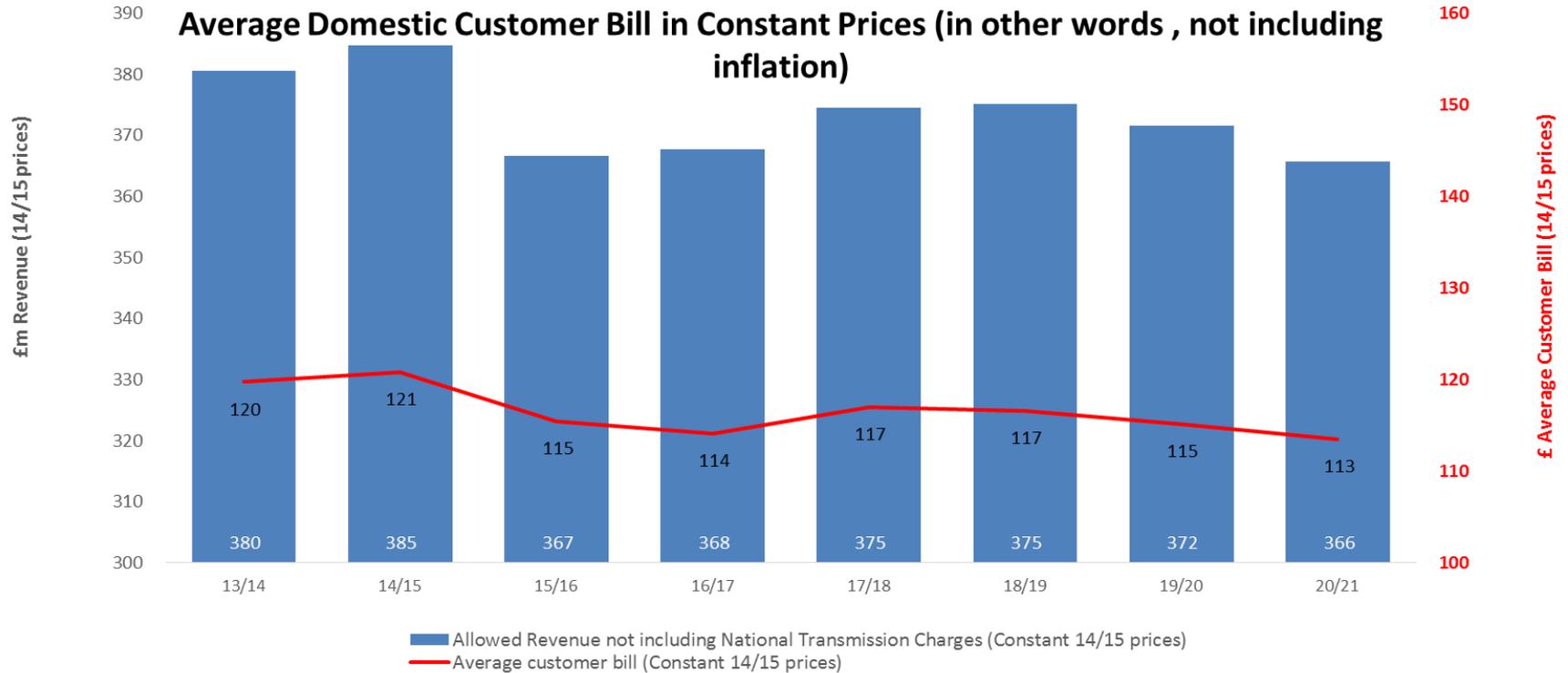


Points to note

- MOD 0517 was rejected by Ofgem
 - This has now been rejected by Ofgem therefore the uncertainty around potentially large increases in NTS Exit Capacity costs has now passed.
- AQ Review has now closed
 - AQ reduced by 1.7% and SOQ by 2.0% - full understanding expected by end November
- PCFM uses current estimates and is still in draft for 14/15 with internal forecasts thereafter
- Average Domestic bill is not aligned with the newly published TDCV of 12,500



Customer Bill – using 12,500 TDCV



QUESTIONS?

Thank you

