

January 2015 Mod186 Pricing Statement

Summary of movements from October



MOD186 Reconciliation - October 2014 to January 2015

Northern Gas Networks

ALLOWED REVENUE		13/14	14/15	15/16	16/17	17/18	18/19
OCTOBER		395.3	411.9	424.2	426.9	425.8	442.4
Adjustments to Base Revenue via "MOD" (9/10 prices)							
Cost of debt %	October	2.92%	2.72%	2.56%	2.42%	2.32%	2.21%
Cost of debt %	January	2.92%	2.72%	2.55%	2.39%	2.27%	2.14%
Cost of debt movement			(0.0)	(0.1)	(0.3)	(0.6)	(0.9)
Pension deficit valuation				0.7	0.7	0.7	(0.2)
Tax trigger				(0.3)	(0.3)	(0.3)	(0.3)
Repex Tier 2a				(0.4)	(0.5)	(0.2)	(0.2)
"MOD" Total			(0.0)	0.0	(0.5)	(0.6)	(1.9)
Change in Inflation %							
	October	2.93%	2.58%	3.20%	3.48%	3.40%	3.40%
	January	2.95%	2.48%	2.60%	3.25%	3.35%	3.20%
	Difference	0.0%	(0.1%)	(0.6%)	(0.2%)	(0.1%)	(0.2%)
£ impact on change in inflation			0.0	(2.9)	(4.0)	(4.2)	(5.6)
£ Impact of changes in RPI on RPI true up					(0.4)		
Total base revenue changes				(2.9)	(4.9)	(4.7)	(7.5)
Pass through changes				(0.0)	(0.6)	0.7	1.2
K factor				-	0.2	0.0	0.0
JANUARY		395.3	411.9	421.2	421.6	422.1	436.2
Difference				(2.9)	(5.4)	(3.7)	(6.2)
PRICE CHANGE % IMPACT		13/14	14/15	15/16	16/17	17/18	18/19
LDZ PRICE CHANGE %	Difference			(0.8%)	(0.6%)	0.6%	(0.6%)
EXIT CAP. PRICE CHANGE %	Difference			(0.5%)	(0.5%)	(9.0%)	1.3%
Total Price Change	October	5.1%	4.9%	6.9%	4.1%	2.7%	7.0%
Total Price Change	January	5.1%	4.9%	6.1%	3.5%	3.1%	6.5%
TOTAL PRICE CHANGE %	Difference			(0.8%)	(0.6%)	0.4%	(0.6%)