

West Midlands (National Grid)

Mod 186 Report

14 July 2008

£m

	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13
	Current Prices					
Core Allowed	193.8	193.9	202.9	195.8	197.8	198.9
Cost Pass Through	28.3	26.9	26.9	26.8	26.8	26.7
Shrinkage 2008-2013 [Incentives & Adjustments 2007]	16.5	7.3	7.1	6.9	6.8	6.8

Final Allowed Rev per PCR	238.6	228.1	236.9	229.6	231.4	232.4
Inflation Assumed		1.11	1.15	1.19	1.23	1.28
Final Allowed Rev per PCR at prices of year	238.6	252.5	273.1	273.9	285.7	297.0
Cost Pass through Movements	0.0	-0.6	-0.7	-0.6	-0.5	-0.4
Incentives & Adjustments Movement	-2.7	-7.3	7.4	7.7	7.1	7.0
K Movement	6.9	0.6	0.0	0.0	0.0	0.0
Final Allowed Revenue Latest Forecast	242.8	245.3	279.8	280.9	292.2	303.6
% of previous year		101.0%	114.0%	100.4%	104.0%	103.9%
Forecast Collected Revenue	242.2	245.3	279.8	280.9	292.2	303.6
Forecast Under / Over Recovery (K) under recovery (-)	-0.6	0.0	0.0	0.0	0.0	0.0
Arithmetical October/ April* Price level change needed for Collected to = Allowed	20.8%	-7.8%	3.0%	0.0%	3.0%	3.0%
*	Oct	Oct	Apr	Apr	Apr	Apr

Commentaries

2007/08

There have been changes in DNMRA and Shrinkage that have resulted in a small movement in incentives & adjustments during the year.

2008/9

3% reduction in SOQs assumed in October 2008

Ofgem included cost pass through into the core allowed (these values have been reallocated in this report for consistency with 2007/08 numbers)

Shrinkage, Exit, Emission, Loss of Meter Work and DNMRA forecasts included on 2008/9 Incentives & Adjustments. Increase against that predicted in May by £5m.

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