

North West (National Grid)

Mod 186 Report

21 January 2008

£m

	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13
	Current Prices					
Core Allowed	254.7	251.3	252.8	255.0	258.9	261.3
Cost Pass Through	36.6	34.7	34.6	34.6	34.5	34.4
Shrinkage 2008-2013 [Incentives & Adjustments 2007]	14.0	9.0	8.7	8.5	8.4	8.3

Final Allowed Rev per PCR	305.3	295.0	296.1	298.0	301.8	304.0
Inflation Assumed		1.11	1.15	1.20	1.24	1.29
Final Allowed Rev per PCR at prices of year	305.3	326.7	340.8	356.7	375.7	393.6
Cost Pass through Movements	0.0	-1.1				
Incentives & Adjustments Movement	2.4	-8.6				
K Movement	10.0	7.7				
Final Allowed Revenue Latest Forecast	317.7	324.8				
% of previous year		102.2%				
Forecast Collected Revenue	310.4	324.8				
Forecast Under / Over Recovery (K)	7.3	0.0				
Arithmetical October Price level change needed for Collected to = Allowed	23.1%	-4%				

Commentaries

2007/08

The forecast under-recovery for 2007/8 is due to increases forecast for DNMRA and Shrinkage, both increasing the final allowed revenue, and a forecast reduction in collected revenues as a result of the

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

Capacity / Commodity Split changes - 95/5 change to take effect on the 1 October 2008

The October price change is based on the current structure of charges, the following scaling factors should be applied after uplifting / reducing the current prices by the change needed above:

LDZ System & CSEP System Commodity -

0.1192

LDZ System & CSEP System Capacity -

2.2054

Disclaimer:

Nothing in this report constitutes advice or recommendations and all figures within this report are estimated and indicative status only. National Grid Gas plc accepts no responsibility for the accuracy or completeness of this report or for any use to which it may be put. National Grid Gas plc reserves the right to amend or change all or any of the data contained in this report at any time without further notice.

To the fullest extent permitted by law National Grid excludes any representations or warranties of any kind, express or implied and accepts no liability or responsibility whatsoever for any loss or damage suffered by any user in respect of the information contained in this report. The receipt of this information does not create any contractual or close relationship between the recipient and National Grid.

The content of this report is provided for your own personal information only. The content of this report is the copyright of National Grid Gas plc. You may not republish, retransmit, redistribute or otherwise make this report available to any other party in any form without National Grid Gas plc's express prior written consent.