

Revenue Recovery



History of 'K' Values
01/05/2018

Reviewing the under / over recovery on Transmission

- The % of under / over recovery on Transmission since the start of RIIO-T1 is shown below:

	Formula Year			
	2013/14	2014/15	2015/16	2016/17
TO MAR (£m)	620.61	701.73	747.90	797.80
Entry 'K'	-£34.2	-£16.9	£0.2	£0.0
Exit 'K'	-£3.2	£1.0	£6.6	£10.9
Total (including Interest)	-£37.4	-£16.0	£6.8	£10.9
% net of interest to MAR	-6.02%	-2.28%	0.91%	1.37%

- It was a potential train of thought that this could inform how under or over recovery could be considered under UNC0621
- The under / over recovery does vary. Since the start of RIIO-T1 it has ranged between approx. 6% under recovery to approx 1.4% over recovery.
- Resulting outcome: no change from current proposals. The under or over recovery does fluctuate and the intention is to keep setting transportation charges to minimise under or over recovery