

March 2017 Mod186 Pricing Statement

Movement from December 16



Key movements from December 16

ALLOWED REVENUE		17/18	18/19	19/20	20/21
DECEMBER		409.2	404.9	435.9	444.5
"MOD" Adjustment (largely Cost of Debt new long term forecast)		(0.0)	(1.7)	(1.9)	(1.3)
Change in Inflation %					
December (Based on HM Treasury Nov report)		3.4%	3.1%	3.0%	3.1%
March (Based on HM Treasury Feb report)		3.5%	3.4%	3.2%	3.2%
Difference		0.1%	0.3%	0.2%	0.1%
Cumulative change in inflation		0.1%	0.4%	0.5%	0.7%
£ impact on change in inflation (including changes in "Mod" above)		0.0	0.9	1.6	2.3
£ Impact of changes in RPI on RPI true up (relating to 17/18)		0.0	0.0	0.2	0.0
Shrinkage pass thru (gas price impact)		0.0	0.1	0.2	0.7
K factor		(0.0)	0.1	(0.1)	(0.0)
MARCH		409.2	404.2	436.0	446.2
Difference		(0.0)	(0.7)	0.1	1.7

PRICE CHANGE % IMPACT		17/18	18/19	19/20	20/21
Total Price Change	December	(2.0%)	1.9%	10.6%	5.4%
Total Price Change	March	(3.5%)	1.7%	10.8%	5.8%
TOTAL PRICE CHANGE %	Difference	(1.5%)	(0.2%)	0.2%	0.4%

* 17/18 price change movement caused by moving to Project Nexus SOQ timing methodology