

# September 2016 Mod186 Pricing Statement

Movement from June 16



## Key movements from June 16

ALLOWED REVENUE		15/16	16/17	17/18	18/19	19/20	20/21
<b>JUNE</b>		<b>421.3</b>	<b>411.6</b>	<b>406.3</b>	<b>415.0</b>	<b>444.4</b>	<b>458.4</b>
Cost of debt £ movement	(The latest "Modt" data is aligned to the revenue forecast submitted to Ofgem in July for RRP, which includes 15/16 actual data and our latest forecast to 20/21)			(0.0)	(0.3)	(1.2)	(2.4)
Totex Incentive				0.2	(0.6)	(0.3)	0.7
Pension deficit valuation				0.0	(1.0)	(1.0)	(1.0)
<b>"MOD" forecast expected via Ofgem Annual Iteration</b>				<b>0.2</b>	<b>(1.9)</b>	<b>(2.6)</b>	<b>(2.7)</b>
% change in Inflation			(0.0%)	0.1%	(0.1%)		0.0%
£ impact on change in inflation (including changes in "Mod" above)				0.4	(0.5)	(0.8)	(0.9)
£ Impact of changes in RPI on RPI true up					(0.1)	(0.0)	(0.0)
<b>Total base revenue changes</b>				<b>0.6</b>	<b>(2.5)</b>	<b>(3.4)</b>	<b>(3.7)</b>
Customer	(Impact of including finalised 15/16 data)			0.3	0.1	0.1	0.0
Shrinkage/Leakage	(Impact of including finalised 15/16 data)			0.3	0.3	0.4	0.3
Exit	(Impact of including October 16 bookings data)			0.0	0.2	0.2	0.1
<b>Total Incentive changes</b>				<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>
Rates	(assumed the increase is 28% vs. 25% in June)			0.0	0.0	1.4	1.5
License Fee	(reduction in charges from Ofgem)			0.0	(0.3)	(0.3)	(0.3)
Exit Capacity	(Impact of including latest future NTS prices)			(0.0)	(0.1)	(1.8)	(3.3)
Shrinkage	(Latest gas price forecast included)			(0.1)	0.3	0.7	0.3
<b>Total pass through changes</b>				<b>(0.1)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(1.8)</b>
K factor	(AQ -3% assumed in June, now @ +1% for Oct 2016)			(0.0)	(8.6)	0.0	
<b>SEPTEMBER</b>		<b>421.2</b>	<b>411.6</b>	<b>407.5</b>	<b>404.4</b>	<b>441.6</b>	<b>453.3</b>
<b>Difference</b>		<b>(0.0)</b>		<b>1.1</b>	<b>(10.6)</b>	<b>(2.8)</b>	<b>(5.1)</b>
COLLECTED REVENUE £		15/16	16/17				
June		415.0	411.4				
September		415.0	419.7				
<b>Difference (caused by -3% to +1% in AQ)</b>			<b>8.3</b>				
PRICE CHANGE % IMPACT		15/16	16/17	17/18	18/19	19/20	20/21
Total Price Change	June	6.1%	4.2%	1.8%	5.2%	10.1%	6.5%
Total Price Change	September	6.1%	4.2%	(1.9%)	2.2%	12.2%	6.1%
<b>TOTAL PRICE CHANGE %</b>	<b>Difference</b>	<b>(0.0%)</b>		<b>(3.7%)</b>	<b>(3.0%)</b>	<b>2.1%</b>	<b>(0.4%)</b>