

Regulatory Financial Performance Report
 NGN

RIIO-2 start date (enter 2022 for 2021-22)	2022
Licensee	NGN
Sector	GD2
Reporting Year: (e.g. enter 2022 for 2021-22)	2026
Version (Number)	
Submitted Date:	

	Input cells
	Totals cells (of formula within worksheet)
	Linked cells
	Referencing to other workbooks (Eg. PCFM/ RRP)
	Check cells
	No Input
	Descriptions and pack data

R1 - Return on Regulatory Equity (RoRE)

NGN
2026

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals		
2022	2023	2024	2025	2026	Cumulative to 2026	RIIO-2 period
2021/22	2022/23	2023/24	2024/25	2025/26		

RoRE based on Notional Gearing

	Allowed Equity Return	%	4.52%	4.56%	5.28%	5.59%	5.448%	5.09%	5.09%
	Totex outperformance	%	2.31%	1.95%	0.09%	-0.10%	0.605%	0.96%	0.96%
a	Business Plan Incentive	%	0.13%	0.13%	0.13%	0.13%	0.124%	0.13%	0.13%
b	Customer Satisfaction Survey ODI - (SpC 4.2)	%	0.15%	0.18%	0.17%	0.19%	0.186%	0.18%	0.18%
c	Complaints metric ODI - (SpC 4.3)	%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
d	Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
e	Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
f	Shrinkage Management ODI- (SpC 4.4)	%	-0.03%	0.05%	0.05%	0.04%	0.051%	0.03%	0.03%
g	Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
h		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
i		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
i	Network innovation input for RORE	%	-0.02%	-0.02%	-0.03%	-0.03%	-0.020%	-0.02%	-0.02%
ii	Carry-over Network innovation input for RORE	%	-0.02%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
iii	Strategic innovation input for RORE	%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
iv		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
v		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
vi		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
vii		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
viii		%	0.00%	0.00%	0.00%	0.00%	0.000%	0.00%	0.00%
	Penalties and fines (Other Activities)	%	-0.07%	-0.04%	-0.03%	-0.03%	-0.030%	-0.04%	-0.04%
	RoRE - Operational performance	%	6.98%	6.80%	5.66%	5.79%	6.363%	6.32%	6.32%
	Debt performance - at notional gearing	%	5.00%	9.14%	6.09%	3.23%	3.90%	5.45%	5.45%
	Tax performance - at notional gearing	%	0.19%	-0.77%	-0.78%	0.49%	0.00%	-0.17%	-0.17%
	RoRE - including financing and tax	%	12.17%	15.17%	10.97%	9.51%	10.27%	11.60%	11.60%

RoRE based on Actual Gearing

	Allowed Equity Return	%	5.02%	4.87%	5.47%	5.84%	5.82%	5.41%	5.41%
	Totex outperformance	%	2.57%	2.09%	0.10%	-0.10%	0.65%	1.02%	1.02%
a	Business Plan Incentive	%	0.14%	0.14%	0.13%	0.13%	0.13%	0.13%	0.13%
b	Customer Satisfaction Survey ODI - (SpC 4.2)	%	0.17%	0.19%	0.18%	0.20%	0.20%	0.19%	0.19%
c	Complaints metric ODI - (SpC 4.3)	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
d	Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
e	Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
f	Shrinkage Management ODI- (SpC 4.4)	%	-0.04%	0.05%	0.05%	0.05%	0.05%	0.03%	0.03%
g	Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
h		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
i		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
i	Network innovation input for RORE	%	-0.02%	-0.02%	-0.03%	-0.03%	-0.02%	-0.02%	-0.02%
ii	Carry-over Network innovation input for RORE	%	-0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iii	Strategic innovation input for RORE	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iv		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
v		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
vi		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
vii		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
viii		%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Penalties and fines (Other Activities)	%	-0.07%	-0.04%	-0.03%	-0.03%	-0.03%	-0.04%	-0.04%
	RoRE - Operational performance	%	7.76%	7.27%	5.86%	6.06%	6.79%	6.73%	6.73%
	Debt performance - at actual gearing	%	5.69%	10.05%	6.37%	3.38%	4.18%	5.91%	5.91%
	Tax performance - at actual gearing	%	0.19%	-0.87%	-0.83%	0.51%	0.00%	-0.20%	-0.20%
	RoRE - including financing and tax	%	13.63%	16.45%	11.40%	9.95%	10.98%	12.43%	12.43%

RoRE input values

Input values provided in £m 18/19 prices

	Equity Return on the RAV	£m 18/19	40.0	40.9	48.0	51.2	50.5	230.5	230.5
	Totex outperformance	£m 18/19	20.5	17.5	0.8	(0.9)	5.6	43.5	43.5
a	Business Plan Incentive	£m 18/19	1.1	1.1	1.1	1.1	1.1	5.7	5.7
b	Customer Satisfaction Survey ODI - (SpC 4.2)	£m 18/19	1.4	1.6	1.6	1.7	1.7	8.0	8.0
c	Complaints metric ODI - (SpC 4.3)	£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
d	Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
e	Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
f	Shrinkage Management ODI- (SpC 4.4)	£m 18/19	(0.3)	0.4	0.4	0.4	0.5	1.5	1.5
g	Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
h		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
i		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
i	Network innovation input for RORE	£m 18/19	(0.1)	(0.2)	(0.3)	(0.3)	(0.2)	(1.0)	(1.0)
ii	Carry-over Network innovation input for RORE	£m 18/19	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)
iii	Strategic innovation input for RORE	£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
iv		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
v		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
vi		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
vii		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
viii		£m 18/19	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Penalties and fines (Other Activities)	£m 18/19	(0.6)	(0.4)	(0.3)	(0.3)	(0.3)	(1.8)	(1.8)
	RoRE - Operational performance	£m 18/19	61.8	61.1	51.4	53.1	58.9	286.4	286.4
	Debt performance - at notional gearing	£m 18/19	44.2	82.0	55.2	29.6	36.1	247.3	247.3
	Debt performance - impact of actual gearing	£m 18/19	1.1	2.4	0.6	(0.0)	0.2	4.3	4.3
	Tax performance - at notional gearing	£m 18/19	1.7	(6.9)	(7.1)	4.5	0.0	(7.8)	(7.8)
	Tax performance - impact of actual gearing	£m 18/19	(0.2)	(0.5)	(0.2)	0.0	(0.0)	(0.9)	(0.9)
	RoRE - including financing and tax	£m 18/19	108.6	138.2	100.0	87.2	95.2	529.2	529.2
	NPV-neutral equity RAV based on notional gearing	£m 18/19	885.0	897.8	907.7	917.1	926.2		
	Equity RAV based on actual gearing	£m 18/19	796.7	839.9	877.2	876.8	867.4		

R2 - Reconciliation to Revenue and Profit

NGN

2026

Navigate

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

Reconciliation: Regulated Network Revenue to Accounts

Allowed Revenue - per latest published PCFM

Calculated revenue (as published)	Rt* x PI _t * / PI _{2018/19}	£m nominal	430.7	566.2	571.8	560.4	592.5
AIP adjustment term (as published)- not applicable to ED sector	ADJ _t *	£m nominal	-	23.3	(7.7)	(42.5)	(10.3)
Adjusted revenue (as published)	ADJ _{Rt} *	£m nominal	430.7	589.6	564.1	518.0	582.2
Legacy Allowed Revenue	LAR _t	£m nominal	(13.8)	10.8	0.1	0.8	0.6
K Correction Factor	K _t	£m nominal	0.2	0.4	4.4	5.4	2.4
Forecasting penalty (ED only)	FP _t	£m nominal					
Allowed Network Revenue	AR_t	£m nominal	417.2	600.7	568.7	524.2	585.1
(Under) / Over recovery		£m nominal	(0.4)	(4.3)	(5.1)	(2.2)	0.6

Collected Regulated Network Revenue (per latest PCFM)	RRt
100%	100%
90%	90%
80%	80%
70%	70%
60%	60%
50%	50%
40%	40%
30%	30%
20%	20%
10%	10%
0%	0%

Other Turnover Items

Strategic Innovation Fund (SIF) payments received from TO	£m nominal	-	-	-	-	-
Legacy Metering Equipment charges	£m nominal	-	-	-	-	-
Directly Remunerated Services revenue	£m nominal	1.0	1.1	1.5	1.3	1.4
Network Asset Secondary Deliverables incentive/penalty	£m nominal	-	-	-	-	-
Charging outside the Distribution Services Area (Out of Area Charges)	£m nominal	-	-	-	-	-
De Minimis Business of the licensee	£m nominal	-	-	-	-	-
Other consented activities	£m nominal	(0.0)	(0.0)	-	-	-
Data Services revenue	£m nominal	-	-	-	-	-
SOLR	£m nominal	(0.8)	(95.9)	(26.0)	(0.8)	1.0
Total Other Turnover Items	£m nominal	0.1	(94.8)	(24.5)	0.5	2.4

Other adjustments - please list

[illegible]

Reconciled total revenue	£m nominal	421.3	504.5	538.1	523.5	595.0
Turnover as per Profit and Loss (Stat Accounts)	£m nominal	421.3	504.5	538.1	523.6	595.0
Check		OK	OK	OK	OK	OK

Reconciliation: Regulated Network Profit to Statutory Accounts

		Actuals	Actuals	Actuals	Actuals	Actuals
Turnover/Revenue as per Statutory Accounts	£m nominal	421.3	504.5	538.1	523.6	595.0
Collected Regulated Network Revenue	£m nominal	416.9	596.4	563.6	521.9	585.8
Operating Costs, Pensions and Other Costs as per Statutory Accounts (excluding depreciation & amortisation)	£m nominal	181.1	203.1	195.6	209.9	237.7
<i>Reconciliation</i>						
Total Costs not related to the price control Regulated business (excluding depreciation & amortisation)	£m nominal	-	-	-	-	-
Atypical costs adjustment (reported on cash basis)	£m nominal	0.8	95.9	26.0	0.8	(1.0)
Total Operating Costs as reported in the latest RRP submission (excluding depreciation & amortisation)	£m nominal	181.9	299.0	221.7	210.7	236.7
<i>Difference</i>	£m nominal	ok	ok	ok	ok	ok
Earnings/ Operating Profit (EBITDA) per Statutory Accounts	£m nominal	240.2	301.4	342.5	313.7	357.3
Operating Profit related to Regulated business	£m nominal	234.9	297.4	342.0	311.2	349.1
Depreciation and Amortisation costs as per Statutory Accounts	£m nominal	87.6	89.3	93.5	98.9	103.1
<i>Reconciliation</i>						
Costs not related to the price control Regulated business	£m nominal					
Depreciation, amortisation related to capex adjustments	£m nominal					
Other [Input description, add additional rows as required]	£m nominal					
Total Adjustments	£m nominal	-	-	-	-	-
Total Depreciation and Amortisation Costs related to the Regulated business	£m nominal	87.6	89.3	93.5	98.9	103.1
Earnings before Interest and Taxes (EBIT) per Statutory Accounts	£m nominal	152.6	212.1	249.0	214.8	254.2
Operating Profit before Interest and Taxes related to Regulated business	£m nominal	147.3	208.1	248.5	212.3	246.0
Net Interest as per Statutory Accounts	£m nominal	79.2	27.9	48.5	54.6	80.8
1.exclude allocated to non-regulated & applicable business (statutory basis)	£m nominal					
2.exclude allocated to GSO (regulated basis)	£m nominal					
Net Interest Per Regulatory (RIIO-2) Definition	£m nominal	51.4	78.8	60.4	60.3	68.4
<i>Difference</i>	£m nominal	27.7	- 50.8	- 11.9	- 5.7	12.3
Tax as per Statutory Accounts	£m nominal	126.9	27.3	47.0	34.7	37.5
Less Deferred Taxes	£m nominal	(104.4)	(11.3)	(6.4)	(4.6)	(4.7)
Tax as per Statutory Accounts (net of deferred taxes)	£m nominal	22.5	16.0	40.6	30.2	32.8
Tax related to Regulated business	£m nominal	21.4	25.0	42.6	34.1	43.8
<i>Difference</i>	£m nominal	1.2	- 9.0	- 2.0	- 3.9	- 11.0
Net Profit as per Statutory Accounts	£m nominal	(53.5)	156.9	153.5	125.4	135.9
Net Profit related to Regulated business	£m nominal	74.6	104.4	145.5	117.9	133.7
<i>Difference</i>	£m nominal	- 128.1	52.5	8.0	7.6	2.2

Supporting Comments/Narrative

R3 - Totex & Reconciliation

NGN
2026

Navigate

	Actuals	Actuals	Actuals	Actuals	Actuals		
	2022	2023	2024	2025	2026	Cumulative to 2026	RIIO-2 period
	2021/22	2022/23	2023/24	2024/25	2025/26		

Totex per the latest PCFM
In this section, rows 13-99 do not apply to ESO

Capitalisation 1 totex (excluding repex)								
Latest Totex actuals/forecast	£m 18/19	108.3	121.4	134.1	137.5	130.8	632.1	632.1
Totex allowance	£m 18/19	145.3	147.1	141.7	140.7	133.3	708.1	708.1
Totex out(under)performance	£m 18/19	37.0	25.7	7.5	3.3	2.6	76.1	76.1
Funding Adjustment Rate (often referred to as 'sharing factor')	%	51.00%	51.00%	51.00%	51.00%	51.00%		
Customer share of out(under) performance	£m 18/19	18.9	13.1	3.8	1.7	1.3	38.8	38.8
NWO share of performance	£m 18/19	18.1	12.6	3.7	1.6	1.3	37.3	37.3
Enduring Value adjustments to Totex performance								
[Cross Price Control]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
Total enduring value adjustments	£m 18/19	-	-	-	-	-	-	-
Enduring Value adjustments (UIOLI)								
[Cross Price Control]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
Total enduring value adjustments	£m 18/19	-	-	-	-	-	-	-
Enduring Value: Customer share of performance	£m 18/19	-	-	-	-	-	-	-
Enduring Value: NWO share of performance	£m 18/19	-	-	-	-	-	-	-
Total out(under) performance (including enduring value adjustments)								
Customer share of out(under) performance	£m 18/19	18.9	13.1	3.8	1.7	1.3	38.8	38.8
NWO share of performance	£m 18/19	18.1	12.6	3.7	1.6	1.3	37.3	37.3
Total out (under) performance	£m 18/19	37.0	25.7	7.5	3.3	2.6	76.1	76.1
Capitalisation 2 totex (excluding repex)								
Latest Totex actuals/forecast	£m 18/19	5.9	3.7	4.7	7.4	13.3	35.0	35.0
Totex allowance	£m 18/19	7.5	6.0	6.7	9.4	21.4	51.0	51.0
Totex out(under)performance	£m 18/19	1.6	2.3	2.0	2.0	8.2	16.0	16.0
Funding Adjustment Rate (often referred to as 'sharing factor')	%	51.00%	51.00%	51.00%	51.00%	51.00%		
Customer share of out(under) performance	£m 18/19	0.8	1.2	1.0	1.0	4.2	8.2	8.2
NWO share of performance	£m 18/19	0.8	1.1	1.0	1.0	4.0	7.9	7.9
Enduring Value adjustments to Totex performance								
[Cross Price Control]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
Total enduring value adjustments	£m 18/19	-	-	-	-	-	-	-
Enduring Value adjustments (UIOLI)								
[Cross Price Control]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
Total enduring value adjustments	£m 18/19	-	-	-	-	-	-	-
Enduring Value: Customer share of performance	£m 18/19	-	-	-	-	-	-	-
Enduring Value: NWO share of performance	£m 18/19	-	-	-	-	-	-	-
Total out(under) performance (including enduring value adjustments)								
Customer share of out(under) performance	£m 18/19	0.8	1.2	1.0	1.0	4.2	8.2	8.2
NWO share of performance	£m 18/19	0.8	1.1	1.0	1.0	4.0	7.9	7.9
Total out (under) performance	£m 18/19	1.6	2.3	2.0	2.0	8.2	16.0	16.0
Repex (only applicable for GD2)								
Latest Repex actuals/forecast	£m 18/19	100.7	95.8	103.8	101.8	94.0	496.1	496.1
Totex allowance	£m 18/19	103.9	103.5	96.0	94.7	94.7	492.9	492.9
Totex out(under)performance	£m 18/19	3.2	7.8	(7.8)	(7.1)	0.7	(3.2)	(3.2)
Funding Adjustment Rate (often referred to as 'sharing factor')	%	51.00%	51.00%	51.00%	51.00%	51.00%		
Customer share of out(under) performance	£m 18/19	1.6	4.0	(4.0)	(3.6)	0.4	(1.6)	(1.6)
NWO share of performance	£m 18/19	1.6	3.8	(3.8)	(3.5)	0.3	(1.6)	(1.6)
Enduring Value adjustments to Totex performance								
[Cross Price Control]	£m 18/19						-	-
[other Enduring Value adjustment]	£m 18/19						-	-
Total enduring value adjustments	£m 18/19	-	-	-	-	-	-	-
Enduring Value: Customer share of performance		-	-	-	-	-	-	-
Enduring Value: NWO share of performance		-	-	-	-	-	-	-
Total out(under) performance (including enduring value adjustments)								
Customer share of out(under) performance	£m 18/19	1.6	4.0	(4.0)	(3.6)	0.4	(1.6)	(1.6)
NWO share of performance	£m 18/19	1.6	3.8	(3.8)	(3.5)	0.3	(1.6)	(1.6)
Total out (under) performance	£m 18/19	3.2	7.8	(7.8)	(7.1)	0.7	(3.2)	(3.2)
Totex Summary								
Total out(under) performance								
Customer share of performance	£m 18/19	21.3	18.2	0.9	(0.9)	5.8	45.3	45.3
NWO share of performance	£m 18/19	20.5	17.5	0.8	(0.9)	5.61	43.5	43.5
Total	£m 18/19	41.8	35.7	1.7	(1.8)	11.4	88.9	88.9

		Actuals	Actuals	Actuals	Actuals	Actuals	
		2022	2023	2024	2025	2026	
		2021/22	2022/23	2023/24	2024/25	2025/26	
Total Expenditure Per Accounts							
	Tangible Fixed Asset Additions	£m nominal	149.4	165.9	196.9	214.1	208.8
	Intangible Asset Additions (under IFRS) - IT Software	£m nominal	12.7	8.3	5.5	5.0	8.6
	Disposals (cash proceeds)[If Statutory Accounts treat this as an exceptional i	£m nominal	0.7	0.8	0.3	0.3	0.7
	Customer Contributions Additions	£m nominal	(16.0)	(10.9)	(8.6)	(11.1)	(6.7)
	Capitalised interest	£m nominal	1.5	0.9	1.3	1.8	1.7
	Revaluation of tangible fixed assets	£m nominal					
1		£m nominal					
2		£m nominal					
3		£m nominal					
Capex Incurred		£m nominal	148.2	165.1	195.4	210.1	213.1
	Depreciation and Amortisation	£m nominal	87.6	89.3	93.5	98.9	103.1
	Other Operating Expenses (Opex)						
1	Other Operational Costs Incurred	£m nominal	181.1	203.1	195.6	209.9	237.7
2		£m nominal					
3		£m nominal					
Opex Incurred (excluding Depreciation & Amortisation)		£m nominal	181.1	203.1	195.6	209.9	237.7
Total Expenditure Incurred		£m nominal	416.9	457.4	484.5	519.0	553.9
Reconciling Items to Total Net costs after non-price control allocations							
Opex Reconciling Adjustments							
1	Depreciation and Amortisation	£m nominal	(87.6)	(89.3)	(93.5)	(98.9)	(103.1)
2	[Input description]	£m nominal					
3		£m nominal					
4		£m nominal					
5		£m nominal					
6		£m nominal					
7		£m nominal					
8		£m nominal					
9		£m nominal					
10		£m nominal					
11		£m nominal					
12		£m nominal					
13		£m nominal					
14		£m nominal					
Total Opex adj. (excluding Depreciation & Amortisation)		£m nominal	-	-	-	-	-
Capex Reconciling Adjustments							
15	[Input description]	£m nominal					
16		£m nominal					
17		£m nominal					
18		£m nominal					
19		£m nominal					
20		£m nominal					
21		£m nominal					
Total		£m nominal	-	-	-	-	-
Total Reconciling Items		£m nominal	(87.6)	(89.3)	(93.5)	(98.9)	(103.1)
Total Net costs after non-price control allocations		£m nominal	329.3	368.1	391.0	420.0	450.8
Total Costs per latest RRP submission(all sectors except ED & ESO)*		£m 18/19	214.9	220.9	242.6	246.7	238.0
Total Costs per latest RRP submission (ED & ESO)*		£m nominal					
Total Costs per latest RRP submission		£m nominal	233.1	260.7	302.2	317.1	317.6
		check					
Reconciling Items to Totex							
1	Severance pay cash accounting	£m nominal	0.3	-	-	-	
2	Gas holder cash accounting	£m nominal	(3.2)	(5.1)	(3.8)	0.6	0.1
3	Provision cash accounting	£m nominal	2.4	(2.7)	(2.3)	3.7	4.8
4	Bad debt cash accounting	£m nominal	4.3	-	-	-	(0.1)
5	Income cash accounting	£m nominal	(14.0)	0.4	-	-	
6	Add pension deficit payments	£m nominal	(6.4)	(17.8)	(19.7)	(11.3)	(2.4)
7	Exclude FRS17 accounting	£m nominal	(5.1)	(0.5)	-	-	
8	Exclude capitalised interest	£m nominal	1.5	0.9	1.3	1.8	1.7
9	Exclude H21 / HyDeploy / East Coast / Innovation	£m nominal	0.6	1.5	5.9	2.4	2.0
10	Exclude non controllable costs	£m nominal	112.1	222.4	129.0	104.3	111.1
11	Exclude non formula costs	£m nominal	0.9	0.3	0.2	0.2	1.1
12	Exclude GSOS	£m nominal	0.1	-	-	-	
13	Exclude MSA (non NGN) costs	£m nominal	0.8	0.1	0.1	0.1	0.1
14	Exclude xoserve income	£m nominal	(0.2)	-	-	-	
15	Disposal accounting	£m nominal	2.3	0.8	0.3	0.3	0.7
16	SoLR costs (net off in revenue in stats)	£m nominal	(0.8)	(95.9)	(26.0)	(0.8)	1.0
17	Misc other	£m nominal	0.8	0.9	(2.4)	(6.1)	3.7
18	Exclude VCMA	£m nominal	-	2.3	6.2	7.8	9.5
19		£m nominal					
20		£m nominal					
21		£m nominal					
22		£m nominal					
23		£m nominal					
24		£m nominal					
25		£m nominal					
Total reconciling items not recognised in totex		£m nominal	96.2	107.5	88.9	102.9	133.2
Reconciled Totex		£m nominal	233.1	260.7	302.1	317.1	317.7
PCFM/ RRP reported Totex		£m nominal	233.1	260.7	302.2	317.1	317.6
		check	OK	OK	OK	OK	OK
*Licensee to provide a cell reference to the latest submitted RRP file from where the value is taken and note it in supporting comments/ narrative section below.							
Supporting Comments/Narrative							

Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	
2022	2023	2024	2025	2026	Cumulative to 2026	RIIO-2 period
2021/22	2022/23	2023/24	2024/25	2025/26		

Output Incentives (Post Tax)

a	Business Plan Incentive (per latest PCFM company-specific Input Sheet)	£m 18/19	1.15	1.15	1.15	1.15	1.15	5.75	5.75
	Output Incentives (per latest PCFM company-specific Input Sheet)								
b	Customer Satisfaction Survey ODI - (SpC 4.2)	£m 18/19	1.36	1.64	1.56	1.72	1.72	8.0	8.0
c	Complaints metric ODI - (SpC 4.3)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
d	Unplanned Interruption Mean Duration ODI [NGN, SGN and WWU] - (SpC 4.5)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
e	Unplanned Interruption Mean Duration ODI [Cadent only]- (SpC 4.6)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
f	Shrinkage Management ODI- (SpC 4.4)	£m 18/19	-0.28	0.41	0.45	0.41	0.47	1.5	1.5
g	Collaborative streetworks ODI [Cadent Lon & EoE, SGN So only]- (SpC 4.7)	£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
h		£m 18/19	0.00	0.00	0.00	0.00	0.00	-	-
i		£m 18/19						-	-
	Earned Output Incentive revenue as per PCFM	£m 18/19	1.1	2.0	2.0	2.1	2.2	9.5	9.5

Additional Commentary

a
b
c
d
e
f
g
h
i

Other Revenue Allowances (ORA_t) - Post Tax

Innovation

i	Network Innovation Allowance	NIA_t							
	Total NIA Expenditure	£m 18/19	1.4	1.9	2.6	2.6	1.9	10.3	10.3
	Unrecoverable Expenditure (eg not conforming to technical requirements)	£m 18/19						-	-
	Company Compulsory Contribution (including % contribution funded by licensee)	£m 18/19	0.1	0.2	0.3	0.3	0.2	1.0	1.0
	Allowed NIA adjustment	£m 18/19	1.2	1.7	2.3	2.3	1.7	9.2	9.2
	Network innovation input for RORE	£m 18/19	0.1	0.2	0.3	0.3	0.2	1.0	1.0
ii	Carry Over RIIO-1 Network Innovation Allowance	CNIA_t							
	Eligible NIA expenditure and Bid Preparation costs	£m 18/19	1.4						
	Unrecoverable Expenditure (eg not conforming to technical requirements)	£m 18/19							
	Company Compulsory Contribution (including % contribution funded by licensee)	£m 18/19	0.14						
	Allowed CNIA adjustment	£m 18/19	1.2						
	Carry-over Network innovation input for RORE	£m 18/19	0.1						

iii **Strategic Innovation Fund**
 SIF Funding
 SIF Funding Return (Disallowed Expenditure only)
 Company Compulsory Contribution (including % contribution funded by licensee)
 Allowed SIF adjustment
 Strategic innovation input for RORE

SIFt
£m 18/19
£m 18/19
£m 18/19
£m 18/19
£m 18/19

-	0.7	0.3	0.4	0.1	1.6	1.6
					-	-
					-	-
-	0.7	0.3	0.4	0.1	1.6	1.6
-	-	-	-	-	-	-

Incentives

Actuals may be updated once all incentives are determined - ONLY APPLIES TO NGGT - SO

NOTE: Section below excludes ORA (i), (ii) and (iii) which have already been included as part of "Innovation" section above.

Incentives per latest PCFM company-specific Input Sheet

iv
v
vi
vii
viii

£m 18/19
£m 18/19
£m 18/19
£m 18/19
£m 18/19
£m 18/19

					-	-
					-	-
					-	-
					-	-
					-	-
-	-	-	-	-	-	-

Additional Commentary

i
ii
iii
iv
v
vi
vii
viii

Actuals	Actuals	Actuals	Actuals	Actuals	Forecast	
2022	2023	2024	2025	2026	Cumulative to 2026	RIIO-2 period
2021/22	2022/23	2023/24	2024/25	2025/26		

Net Interest Per Statutory Accounts

£m nominal	79.2	27.9	48.5	54.6	80.8
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Reconciliation with Statutory Accounts

Interest not qualifying for corporation tax relief
Fair value adjustments (e.g. losses on derivatives)
Dividends on preference shares
Costs of early redemption on long term debt
Swap Termination Costs paid
Movements relating to pension fund liabilities reported within net interest
Debt issuance expenses (inc. amortisation to discounts that had previously benefitted from
Commitment fees for undrawn liquidity backup lines
Unwinding of discount on provisions
Capitalised interest
Shipper interest
Interest on tax provisions
ABC pension adjustments
Other
Other Adjustments [please specify]
Other Adjustments [please specify]
Other Adjustments [please specify]

£m nominal	-	-	-	-	-
£m nominal	(25.0)	49.7	11.0	5.5	(12.4)
£m nominal	-	-	-	-	-
£m nominal	-	-	-	-	-
£m nominal	-	-	-	-	-
£m nominal	(0.4)	0.1	1.0	(0.6)	(0.3)
£m nominal	(0.5)	(0.5)	(0.6)	(0.5)	(0.7)
£m nominal	(0.1)	(0.2)	(0.2)	(0.2)	(0.3)
£m nominal	0.4	1.2	0.2	0.3	0.0
£m nominal	1.5	0.9	1.3	1.8	1.7
£m nominal	0.0	(0.3)	(0.8)	(0.7)	(0.5)
£m nominal	(3.6)	-	-	-	-
£m nominal	(0.0)	(0.0)	0.0	0.0	0.0
£m nominal	0.0	(0.0)	0.0	(0.0)	(0.0)
£m nominal	-	-	-	-	-
£m nominal	-	-	-	-	-
£m nominal	-	-	-	-	-

Net Interest Per Regulatory (RIIO-2) Definition

Forecast new financing/refinancing Net Interest costs

Regulatory Net Interest including forecast new financing/refinancing costs

External Net Interest
Intra-company Net Interest

£m nominal	51.4	78.8	60.4	60.3	68.4
£m nominal					
£m nominal	51.4	78.8	60.4	60.3	68.4
£m nominal	15.5	42.9	24.5	6.1	5.1
£m nominal	35.9	35.9	35.9	54.2	63.3
£m nominal	OK	OK	OK	OK	OK

Memo: Net interest (RIIO-2) Definition that relates to non-cash principal inflation accretion

£m nominal					
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Inflation component of nominal finance cost

£m nominal	70.7	147.9	99.0	61.1	75.4
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In-period real finance cost (reg terms) at actual gearing

£m nominal	(19.3)	(69.2)	(38.6)	(0.743)	(6.9)
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Combined RPI-CPIH real to nominal prices conversion

Factor	1.085	1.180	1.245	1.28545	1.334
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In-period real finance cost (reg terms) at actual gearing

£m 18/19	(17.8)	(58.6)	(31.0)	(0.6)	(5.2)	(113.1)	(113.1)
----------	--------	--------	--------	-------	-------	---------	---------

Adjustments to be applied to Assumed Finance cost for performance assessment

Add back Debt Issuance expenses
New/refinanced debt issuance expenses
Costs of early redemption on long term debt (excluding exceptional costs of buy backs as
Add accrual for inflation accretion on index-linked swaps (if applicable)
Other Adjustments [please specify]
Other Adjustments [please specify]
Other Adjustments [please specify]
Other Adjustments [please specify]

£m nominal	0.5	0.5	0.6	0.5	0.7	2.8	2.8
£m nominal		0.2	2.0	0.5	0.8	3.5	3.5
£m nominal	-	-	-	-	-	-	-
£m nominal	-	-	-	-	-	-	-
£m nominal	-	-	-	-	-	-	-
£m nominal	-	-	-	-	-	-	-
£m nominal	-	-	-	-	-	-	-
£m nominal	-	-	-	-	-	-	-

Total Adjustments to be applied for performance assessment (at actual gearing)

£m nominal	0.5	0.7	2.6	1.0	1.5	6.3	6.3
------------	-----	-----	-----	-----	-----	-----	-----

Total Adjustments to be applied for performance assessment (at actual gearing)

£m 18/19	0.4	0.6	2.1	0.8	1.1	5.0	5.0
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Cost of Debt out(under)performance at notional gearing

Performance against allowance is impacted by deviating from notional levels of gearing

Notional Gearing	%	60.0%	60.0%	60.0%	60.0%	60.0%
Actual Gearing	%	64.0%	62.6%	61.3%	61.8%	62.5%

In-period real finance cost (reg terms) at actual gearing
Adjustment to regulatory finance cost relating to variance from notional gearing
In-period real finance cost (reg terms) at notional gearing

£m nominal	(19.3)	(69.2)	(38.6)	(0.7)	(6.9)
£m nominal	1.2	2.9	0.8	0.0	0.3
£m nominal	(18.1)	(66.3)	(37.7)	(0.7)	(6.6)

In-period real finance cost (reg terms) at notional gearing

£m 18/19	(16.6)	(56.2)	(30.3)	(0.6)	(5.0)	(108.7)	(108.7)
----------	--------	--------	--------	-------	-------	---------	---------

Adjustments to be applied for performance assessment (at notional gearing)

£m 18/19	0.4	0.6	2.0	0.8	1.1	4.9	4.9
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Cost of Debt Allowance

The latest PCFM contains the allowed cost of debt rate (%) for the reporting year.

Real Cost of Debt Allowance as per latest PCFM (prior year AIP)	£m 18/19	28.0	26.4	27.0	29.9	32.2
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Out(under) performance

The real cost of debt is compared against the regulatory debt allowance (set in real terms) for an assessment of performance given the inflation protection provided by RAV indexation.

Pre-Tax performance

Pre-Tax Cost of Debt out(under)performance at actual gearing	£m 18/19	45.3	84.4	55.9	29.6	36.3	251.5	251.5
Pre-Tax Cost of Debt out(under)performance at notional gearing	£m 18/19	44.2	82.0	55.2	29.6	36.1	247.3	247.3
Pre-Tax Impact on out(under) performance relating to deviating from notional levels of ge	£m 18/19	1.1	2.4	0.6	(0.0)	0.2	4.3	4.3

		Actuals 2022 2021/22	Actuals 2023 2022/23	Actuals 2024 2023/24	Actuals 2025 2024/25	Actuals 2026 2025/26
Opening Cash, short term deposits and overdrafts (per Balance Sheet)	£m nominal	(13.6)	(7.3)	(10.7)	(39.1)	(45.1)
Closing Cash, short term deposits and overdrafts (per Balance Sheet)	£m nominal	(7.3)	(10.7)	(39.1)	(45.1)	(3.8)
Bonds	£m nominal	-	-	-	-	-
External Loans	£m nominal	442.1	426.3	208.4	166.6	204.7
Private Placements	£m nominal	475.0	540.0	540.0	540.0	540.0
Group company loans (licensee lender)	£m nominal	-	-	-	-	-
Group company loans (licensee borrower)	£m nominal	-	-	-	-	-
Group Loans from Finco back to back with finco bond issue	£m nominal	700.3	700.3	998.4	1,151.9	1,151.8
Swaps Pay Leg	£m nominal	2,365.3	2,500.3	2,910.9	3,100.0	3,140.0
Swaps Receive Leg	£m nominal	(2,365.3)	(2,500.3)	(2,910.9)	(3,100.0)	(3,140.0)
Other	£m nominal	-	-	-	-	-
Total Modelled Debt	£m nominal	1,610.1	1,655.9	1,707.8	1,813.4	1,892.8
Conversion to Regulatory (RIIO-2) Definition of Net Debt						
Unamortised Issue Costs	£m nominal	-	-	-	-	-
Fixed asset investments not readily convertible to cash	£m nominal	-	-	-	-	-
Preference shares	£m nominal	-	-	-	-	-
Long term loans (Not for benefit of regulated business or distribution in nature)	£m nominal	-	-	-	-	-
Discounts (premiums) for fixed rate debt	£m nominal	-	-	-	-	-
1. Accretion on index-linked swaps to derive correct debt level for gearing calculation	£m nominal	20.2	68.0	88.8	104.0	121.4
2. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
3. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
4. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
5. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
6. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
7. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
8. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
9. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
10. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
11. [Insert adjustment as necessary]	£m nominal	-	-	-	-	-
Total Net Debt per Regulatory (RIIO-2) definition	£m nominal	1,630.3	1,723.9	1,796.5	1,917.4	2,014.1
Forecast new debt/refinancing	£m nominal					
Regulatory Net Debt including forecast new debt/refinancing	£m nominal	1,630.3	1,723.9	1,796.5	1,917.4	2,014.1
		OK	OK	OK	OK	OK
Opening Regulatory Net Debt including forecast new debt/refinancing	£m nominal	1,507.5	1,630.3	1,723.9	1,796.5	1,917.4
Closing Regulatory Net Debt including forecast new debt/refinancing	£m nominal	1,630.3	1,723.9	1,796.5	1,917.4	2,014.1
Conversion from Regulatory (RIIO-2) Definition of Net Debt to Statutory Net Debt						
1. Fair value adjustments	£m nominal	111.7	21.1	20.2	(7.4)	(22.2)
2. Accrued interest	£m nominal	-	-	-	-	-
3. Derivatives - other than cross currency swaps	£m nominal	(100.5)	(74.7)	(74.1)	(44.9)	(22.7)
4. Balancing value on cross currency swaps	£m nominal	-	-	-	-	-
5. IFRS 16 Right of Use Lease Liability	£m nominal	-	-	-	-	-
6. Unamortised issue costs	£m nominal	(1.9)	(1.6)	(1.2)	(1.0)	(1.6)
7. Discount on bonds not in stat accounts debt	£m nominal	4.0	4.0	4.2	4.4	4.2
8. Amounts owed to group undertakings	£m nominal	60.5	54.2	52.8	51.4	70.8
9. Back out CPI swap accretion (part of swap creditor balance in NGN accounts)	£m nominal	(20.2)	(68.0)	(88.8)	(104.0)	(121.4)
10. [Insert adjustment as necessary]	£m nominal					
Net Debt per Statutory Accounts	£m nominal	1,683.9	1,658.8	1,709.7	1,815.9	1,921.2
Allocation of net debt (Per regulatory definition. Transmission companies only)						
Gas system operator allocation (transmission companies only)	%	0%	0%	0%	0%	0%
Transmission or distribution allocation	%	100%	100%	100%	100%	100%
Average Net Debt (per Regulatory Definition)						
Equity RAV	£m nominal	1,568.9	1,677.1	1,760.2	1,857.0	1,965.8
Average RAV	£m nominal	883.0	1,002.8	1,109.2	1,150.0	1,177.6
Actual Regulatory Gearing	£m nominal	2,451.9	2,679.9	2,869.4	3,007.0	3,143.3
Notional Gearing	%	64.0%	62.6%	61.3%	61.8%	62.5%
Gearing Ratio delta	%	60.0%	60.0%	60.0%	60.0%	60.0%
	%	4.0%	2.6%	1.3%	1.8%	2.5%
NPV Neutral assumed Average Net Debt	£m 18/19	1,415.7	1404.6	1392.0	1415.9	1448.0
NPV Neutral assumed Equity RAV	£m 18/19	796.7	839.9	877.2	876.8	867.4
NPV Neutral assumed Average RAV	£m 18/19	2,212.4	2,244.5	2,269.2	2,292.7	2,315.4
Actual Regulatory Gearing	%	64.0%	62.6%	61.3%	61.8%	62.5%
Notional Gearing	%	60.0%	60.0%	60.0%	60.0%	60.0%
Gearing Ratio delta	%	4.0%	2.6%	1.3%	1.8%	2.5%

R7 - Regulatory Asset Value (RAV)
NGN
2026

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

RAV per latest PCFM

Closing RAV per latest PCFM	£m 18/19	2,263.3	2,292.4	2,320.1	2,345.4	2,367.0
Opening RAV (before transfers)	£m 18/19	2,229.1	2,263.3	2,292.4	2,320.1	2,345.4
Transfers	£m 18/19					
Opening RAV (after transfers)	£m 18/19	2,229.1	2,263.3	2,292.4	2,320.1	2,345.4
Net additions (after disposals)	£m 18/19	149.9	148.3	150.1	150.7	150.1
Net additions (after disposals) - enduring value adjustment	£m 18/19					
Total Net Additions	£m 18/19	149.9	148.3	150.1	150.7	150.1
Depreciation	£m 18/19	(115.8)	(119.2)	(122.4)	(125.5)	(128.5)
Depreciation - enduring value adjustment	£m 18/19					
Total Depreciation	£m 18/19	(115.8)	(119.2)	(122.4)	(125.5)	(128.5)
Adjusted Closing RAV	£m 18/19	2,263.3	2,292.4	2,320.1	2,345.4	2,367.0
Total enduring value and other adjustments	£m 18/19	-	-	-	-	-
CHECK		TRUE	TRUE	TRUE	TRUE	TRUE

Index for Opening RAV conversion to nominal in yr 1	Index	1.053				
Adjusted Closing RAV	£m nominal	2,555.7	2,804.1	2,934.8	3,079.2	3,207.5
Cost of debt	annual real %	2.11%	1.96%	1.98%	2.17%	2.32%
Cost of equity	annual real %	4.52%	4.56%	5.28%	5.59%	5.45%
Notional gearing	%	60.0%	60.0%	60.0%	60.0%	60.0%
Vanilla WACC	annual real %	3.07%	3.00%	3.30%	3.54%	3.57%
NPV-neutral debt element of RAV	£m 18/19	1,327.5	1,346.7	1,361.5	1,375.6	1,389.2
NPV-neutral equity element of RAV	£m 18/19	885.0	897.8	907.7	917.1	926.2
NPV-neutral RAV return base	£m 18/19	2,212.4	2,244.5	2,269.2	2,292.7	2,315.4
Debt Return on RAV	£m 18/19	28.0	26.4	27.0	29.9	32.2
Equity Return on RAV	£m 18/19	40.0	40.9	48.0	51.2	50.5
Total return on RAV	£m 18/19	68.0	67.3	74.9	81.1	82.7

Actuals	Actuals	Actuals	Actuals	Forecast
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

The CT600 will not have been submitted for the current reporting year.
It is assumed the current tax charge per the statutory accounts will equal the tax liability in the forthcoming CT600, where this is not the case the licensee should provide an explanation in the commentary of the variance.

Tax liability per latest submitted CT600 (pre-group relief) after Regulatory Adjustments

£m nominal	22.8	35.0	42.7	34.5	
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Adjustments to remove non-regulated tax liability

Tax on non-regulated activities	£m nominal				
Metering	£m nominal				
De-minimus and Other activities	£m nominal				
Excluded services	£m nominal				
Non-regulated tax	£m nominal	-	-	-	-

Other adjustments

Tax on Other Revenue Allowances - Innovation and Incentives only	£m nominal	0.1	0.1	0.1	0.1	-
Collected revenue adjustment ('k')	£m nominal					
Pension - timing adjustment	£m nominal					
Pension - disallowed contributions	£m nominal		9.8			
Tax on derivatives not disregarded	£m nominal	1.4	0.1	0.1	0.3	
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Total other adjustments	£m nominal	1.5	10.0	0.2	0.4	-

Forecast regulated tax liability (including impact of any enduring value adjustments)	£m nominal	23.0	16.3	33.5	39.9	43.8
Adjusted regulated tax liability	£m nominal	21.4	25.0	42.6	34.1	43.8
Combined RPI-CPIH real to nominal prices conversion	Factor	1.085	1.180	1.245	1.285	1.334
Adjusted/forecast regulated tax liability	£m 18/19	19.7	21.2	34.2	26.5	32.9

Tax out(under)performance at notional gearing

Performance against allowance is impacted by deviating from notional levels of gearing

Notional Gearing	%	60.0%	60.0%	60.0%	60.0%	60.0%
Actual Gearing	%	64.0%	62.6%	61.3%	61.8%	62.5%
Adjusted/forecast regulated tax liability	£m nominal	21.4	25.0	42.6	34.1	43.8
Adjustment to regulatory tax cost relating to variance from notional	£m nominal	(0.2)	(0.5)	(0.2)	0.0	(0.1)
Revised regulated tax liability for comparison against allowance	£m nominal	21.1	24.4	42.4	34.1	43.8
Revised regulated tax liability for comparison against allowance	£m 18/19	19.5	20.7	34.0	26.5	32.8

Allowance

Tax Allowance per latest PCFM	£m 18/19	21.2	13.8	26.9	31.0	32.9
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Out(under) performance

Regulated tax out(under) performance at actual gearing	£m 18/19	1.5	(7.3)	(7.3)	4.5	-
Regulated tax out(under) performance at notional gearing	£m 18/19	1.7	(6.9)	(7.1)	4.5	0.0
Impact on out(under) performance relating to deviating from n	£m 18/19	(0.2)	(0.5)	(0.2)	0.0	(0.0)
Tax impact of financing performance (at actual gearing)	£m nominal	(9.3)	(18.9)	(17.4)	(9.5)	(12.1)
Tax impact of financing performance (at actual gearing)	£m 18/19	(8.6)	(16.0)	(14.0)	(7.4)	(9.1)
Tax impact of financing performance (at notional gearing)	£m nominal	(9.1)	(18.4)	(17.2)	(9.5)	(12.1)
Tax impact of financing performance (at notional gearing)	£m 18/19	(8.4)	(15.6)	(13.8)	(7.4)	(9.0)
Tax impact of financing performance relating to deviating from notiona	£m 18/19	(0.2)	(0.5)	(0.2)	0.0	(0.0)

Actuals	Actuals	Actuals	Actuals	Actuals
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

Dividends Reconciliation - Regulated Business to Accounts

Dividend paid as per Statutory Accounts	£m nominal	91.7	88.4	100.0	99.4	89.7
Less dividend paid not related to Regulated business	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert adjustment as necessary]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Dividend paid relating to the Regulated Business	£m nominal	91.7	88.4	100.0	99.4	89.7
Shareholder loan interest (not included as Net Interest per Regulatory (RIIO-2) definition)	£m nominal					

Executive Directors* Remuneration

2026 - Actuals					
Director 1	Director 2	Director 3	Director 4	Director 5	
Name of Director	Mark Horsley				

Fixed Pay	£m nominal	0.6				
Salary	£m nominal					
Bonus	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Benefits	£m nominal	0.2				
[Insert new rows here as necessary]	£m nominal					
Pension	£m nominal	-				
[Insert new rows here as necessary]	£m nominal					
Total Fixed Pay	£m nominal	0.8	-	-	-	-
Allocation to Regulated Business	£m nominal					

Variable Pay	£m nominal					
Incentives	£m nominal	0.3				
[Insert new rows here as necessary]	£m nominal					
Performance related Pay	£m nominal	0.4				
[Insert new rows here as necessary]	£m nominal					
Total Variable Pay	£m nominal	0.7	-	-	-	-
Allocation to Regulated Business	£m nominal					

Total Pay	£m nominal	1.5	-	-	-	-
Total Pay related to Regulated Business	£m nominal	-	-	-	-	-

Shares** / Options	No. of Shares					
Share ownership/ awards						
[Insert new rows here as necessary]						
% Discount on shares purchased	%					
% of shares held compared to total authorised shares	%					
Value of total shares	£m nominal					
No.of Options held	No.					
Exercise price	£					
No. of options exercised	No.					
Value of Options exercised	£m nominal	-	-	-	-	-

Dividends paid	£m nominal					
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Total Shares, Options and Dividends	£m nominal	-	-	-	-	-
Allocation to Regulated Business	£m nominal					

Total Remuneration	£m nominal	1.5	-	-	-	-
Total Remuneration related to Regulated Business	£m nominal	-	-	-	-	-

Pay Ratios - CEO's total remuneration to company's UK employees remuneration	
25th percentile	24 to 1
50th percentile	28 to 1
75th percentile	38 to 1

*meaning executive board directors

** in addition to shares under Variable Pay

Supporting Comments

R10 - Pensions & Other Activities

NGN

2026

Navigate

Actuals	Actuals	Actuals	Actuals	Actuals
2022	2023	2024	2025	2026
2021/22	2022/23	2023/24	2024/25	2025/26

Pensions

Licensee share of total pension deficit repair payment made for defined benefit scheme	£m nominal	6.4	17.8	19.7	11.3	2.4
Of which:						
Established deficit element funded via specific allowances	£m nominal	5.3	14.7	16.2	9.3	2.0
Incremental deficit funded via totex	£m nominal	1.1	3.1	3.5	2.0	0.4
Established deficit element funded via specific allowances	£m 18/19	4.9	12.5	13.0	7.2	1.5
Established deficit (EDE) allowance as per latest PCFM	£m 18/19	4.9	4.7	13.2	17.5	17.4
Less Pension Payment History Allowance (PPH)	£m 18/19				10.4	10.3
Established deficit allowance less PPH	£m 18/19	4.9	4.7	13.2	7.1	7.1
Latest pension scheme valuation	Enter valuation date	31/03/2022				
Price base	nominal					
Total Liabilities attributable to post cut-off date notional sub fund	£m nominal	51.9				
Total Liabilities attributable to pre cut-off date notional sub fund	£m nominal	472.8				
Total Assets attributable to post cut-off date notional sub fund	£m nominal	44.0				
Total Assets attributable to pre cut-off date notional sub fund	£m nominal	436.6				
Deficit in the post Cut-Off Date Notional Sub-Fund	£m nominal	7.9				
Deficit in the pre Cut-Off Date Notional Sub-Fund	£m nominal	36.2				
Licensee element of established deficit	£m nominal	36.2				
Licensee element of incremental deficit	£m nominal	7.9				

Other Activities

Actuals	Actuals	Actuals	Actuals	Actuals
2022	2023	2024	2025	2026

Post-tax total fines and penalties (including GS payments)	£m 18/19	0.6	0.4	0.3	0.3	0.3
Ofgem related fines and penalties						
[Insert detail of fine or penalty]	£m nominal					
[Insert detail of fine or penalty]	£m nominal					
[Insert new rows here as necessary]	£m nominal					
Total Ofgem related fines and penalties	£m nominal	-	-	-	-	-
Any adjustment for tax	£m nominal					
Post-tax total fines and penalties	£m nominal	-	-	-	-	-
Guaranteed Standard (GS) payments						
Total GS payments	£m nominal	0.6	0.4	0.4	0.3	0.4
Any adjustment for tax	£m nominal					
Post-tax total GS payments	£m nominal	0.6	0.4	0.4	0.3	0.4