

Guidance

Sizewell C Overview of the Regulatory Instructions and Guidance

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This document is part of the Regulatory Instructions and Guidance (RIGs) for Sizewell C (the “nuclear licensee”).

The term RIGs refer to a collection of documents – our instructions and guidance and the reporting packs the nuclear licensee must fill out. The RIGs are the main way we get information from nuclear licensee. We need this information to administer, and check compliance with, the Electricity Generation licence (the Licence).

This document outlines reporting timescales and common guidance for nuclear licensee to follow when submitting reporting packs and commentaries to us.

The RIGs will be used to collect actual and forecast data from 1 April 2025 and will be updated periodically.

The terms the “Authority”, “Ofgem”, “we” and “us” are used interchangeably in this document. The Authority refers to the Gas and Electricity Markets Authority. Ofgem is the Office of the Gas and Electricity Markets Authority.

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1. Introduction

Background

- 1.1 The Licence sets the outputs that the nuclear licensee needs to deliver for their consumers and provide the framework to calculate the revenues they are allowed to collect.
- 1.2 We will monitor and evaluate the nuclear licensee's performance. The main reporting mechanism is the RIGs, which provide a common framework for the nuclear licensee to report relevant performance and cost data, and financial information.
- 1.3 The RIGs specify the information we require and this document provides guidance on how to provide this information. This guidance applies for the period prior to the post-construction review, and we expect to revise this guidance before the nuclear licensee transitions to the operations phase.
- 1.4 We collect this information to enable us to:
 - a) monitor the nuclear licensee's discharge of their licence obligations and associated deliverables;
 - b) monitor the rewards and penalties that the nuclear licensee has received as a result of their performance;
 - c) monitor compliance with licence requirements;
 - d) collect information for use in the Annual Revenue Setting Process (The Annual Revenue Setting Process uses revised Price Control Financial Model (PCFM) Variable Values to recalculate base revenue for the nuclear licensee);
 - e) have visibility of the nuclear licensee's latest forecasts on key deliverables and financial variables; and
 - f) inform the assessment of the next Periodic Review.

Legal framework

- 1.5 RIGs are documents associated with the Electricity Generation licence. The nuclear licensee is required to comply with them as if they were part of the licence.
- 1.6 Special Condition 21 (Regulatory Instructions and Guidance) of the Licence sets out the scope, contents and common governance arrangements for the RIGs.

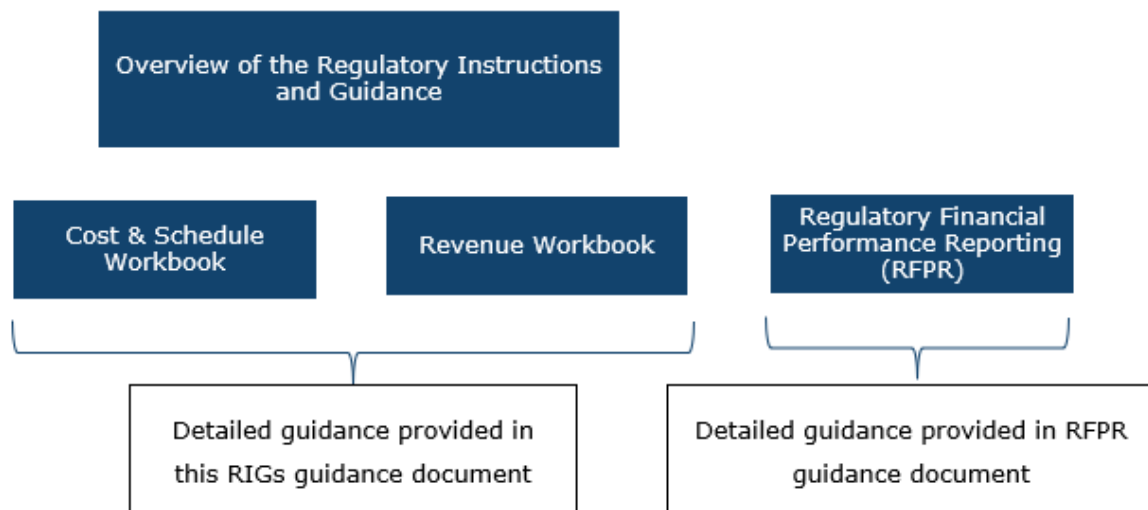
The RIGs may be revised and reissued in accordance with Part C of the condition.

- 1.7 The information the nuclear licensee provides must relate to its licensed generation business and any affiliates or related undertakings.
- 1.8 Where appropriate, the Specified Information the nuclear licensee provides to us must be in accordance with the requirements under Special Condition 23 (Data Assurance). Special Condition 23 and its associated guidance (the Data Assurance Guidance (DAG)), that specify the information to which DAG requirements apply. The DAG requires the nuclear licensee to perform a risk assessment and carry out data assurance activities on the information it provides.

Structure of the RIGs

- 1.9 Figure 1.1 shows all the instructions and guidance documents within the scope of the RIGs. The reporting obligations under the RIGs consist of:
 - a) instructions and guidance (Overview of the Regulatory Instructions and Guidance and Regulatory Financial Performance Reporting Guidance) on how to report and, where applicable, derive information, including a list of definitions;
 - b) reporting packs, specifically the Costs & Schedule Workbook, Revenue Workbook and Regulatory Financial Performance Reporting (RFPR) template for the submission of numerical information; and
 - c) commentaries for providing information to support the reporting packs.

Figure 1.1: Map of Nuclear Licensee Regulatory Instructions and Guidance



2. Content and submission of information

Overview

- 2.1 The RIGs comprise:
- a) instructions and guidance on how to report and, where applicable, derive information, including a list of definitions; and,
 - b) reporting packs (in Microsoft® Excel) for the submission of numerical information.

Form and purpose of the instructions and guidance

- 2.2 This document together with its reporting packs listed in Figure 1.1 are the instructions and guidance.
- 2.3 The purpose of the instructions and guidance is to provide the nuclear licensee with the information they need to accurately complete the reporting packs. The instructions and guidance provide, where applicable, information on:
- a) requirement for historical and forecast data
 - b) reporting units
 - c) the methodology for calculating or deriving required numbers
 - d) the provision of the data to us (format, frequency etc.)
 - e) any audit or examiner requirements
 - f) reasons for the data requirement
 - g) definitions of the terms used in the RIGs.

Submission of completed reporting packs and commentaries

What is submitted and when

- 2.4 With the exception of the First Charging Year, Final Pre-Post Construction Review (Pre-PCR) Phase Charging Year, First Operations Phase Charging Year and Last Charging Year, where timeframes may be adjusted to reflect a partial year, information is normally provided for a Charging Year, which runs from 1 April in one calendar year to 31 March in the next. For Specified Information, the instructions and guidance may reference a shorter period for the recording and reporting of information.

- 2.5 Table 2.1 lists each RIGs documents, type of document, submission frequency, period covered by each reporting pack and submission deadlines. Submissions are made once per year, most data cover a Charging Year however some information covers a shorter period, e.g. each month or quarter of the Charging Year. The nuclear licensee is required to submit completed reporting packs and commentaries no later than the deadline specified, to aid and facilitate the review of the nuclear licensee's submission of the PCFM and updating of the PCFM variable values as part of the 'Dry Run' process detailed in the Price Control Financial Handbook.
- 2.6 These reporting dates apply for all Charging Years after the first and second Charging Years after licence modification. For the first and second years after licence modification, we will collaboratively agree on reporting timelines with the nuclear licensee, reflecting the circumstances and timings of licence modification as well as the years surrounding the Post Construction Review (PCR).
- 2.7 When submitting these the nuclear licensee must ensure that any additional submission requirements have been met e.g. an audit.

Table 2.1: RIGs documents, reporting frequency and submission deadlines

RIGs documents	Type of document	Submission frequency	Period	Submission deadline
Cost Schedule and	Excel Spreadsheet	Annual	Charging Year	31 July
Revenue Workbook	Excel Spreadsheet	Annual	Charging Year	31 July
RFPR	Excel Spreadsheet	Annual	Charging Year	30 September

Resubmission

- 2.8 Our agreement is needed before the nuclear licensee can resubmit any RIGs information. The nuclear licensee must resubmit the relevant reporting pack (and commentary where appropriate) in full. It must provide an accompanying list of input cells it has changed, with a commentary explaining the reasons for the changes. We expect to work with the licensee constructively during the period following the RIGs submission deadline to discuss whether formal resubmission of the reporting packs is required because of, for example, changes in data identified as a consequence of the PCFM 'Dry Runs' process.

- 2.9 Where we require the nuclear licensee to resubmit RIGs information, we will inform it of the actions it must take and the timelines over which they must be taken.
- 2.10 In addition, the Revenue tabs of the Revenue Reporting Pack can only be resubmitted where the Appropriate Auditor has deemed it necessary.

Publication and sharing of information

- 2.11 We may publish information the nuclear licensee provides us in the RIGs. This will primarily be to inform stakeholders of its performance against their licence obligations and regulatory incentives. We will not publish information that is commercially sensitive. This should not prevent the nuclear licensee from publishing any further information that their stakeholders want to see.

3. Instructions for completing reporting packs and commentaries

Overview of the reporting packs

- 3.1 The nuclear licensee must use the reporting packs when reporting specified numerical information to us as part of the RIGs. They are in Microsoft® Excel. They ensure the nuclear licensee submit data in a consistent format.
- 3.2 Below are general instructions that apply to all reporting packs. Specific instructions and guidance for completing each worksheet within the reporting packs are included in the later chapters of this document.

Filling in the reporting packs

Overview

- 3.3 The reporting packs contain the following common worksheets:
 - a) Contents – provides a reference and link to each table in the reporting pack;
 - b) Template Change Log – for the nuclear licensee and us to log changes that are made to the template, e.g. correcting an error in a formula; and
 - c) Data Change Log – for the nuclear licensee to record any changes that it has made to historical, and therefore previously submitted data.
- 3.4 The nuclear licensee must not change, add or delete any cells, formulae or formatting in the reporting packs unless we have instructed the nuclear licensee to do so. For example, to correct an error or if the guidance allows for additional rows to be added.

Inputting values and linking

- 3.5 Cells in the worksheets are colour coded to reflect the action required. Unless otherwise stated, the nuclear licensee is required to input data in yellow cells. The nuclear licensee is only required to enter values for the current Charging Year, and any previous Charging Years, unless specified in the guidance, i.e. where previous forecasts are replaced with an updated forecast or out-turn value.
- 3.6 Cells in worksheets may be linked to other cells either in the same reporting pack or another reporting pack. The nuclear licensee must retain these links. We will consider failure to do so as non-compliance with the RIGs unless we have

instructed the nuclear licensee to make a change, or where it has identified and agreed with Ofgem an error that requires correction. The nuclear licensee must note any such changes in the Change Log for each reporting pack.

- 3.7 Where one reporting pack links to another reporting pack, the nuclear licensee must save the reporting packs on their own systems and re-establish the links to operate correctly.
- 3.8 Where a reportable value is zero the cell input should be zero. Where it is not applicable to the nuclear licensee, the cell should be left blank.

Figure 1.2 Colour Coding of Cells in the RIGs reporting packs

Input cells	
Total cells / averages / calculations	
Link to cells within worksheet	
Referencing to other worksheets	
Referencing to other workbooks	
Check cells	
No Input	
Descriptions and pack data	
Entered values	
Ofgem Input Cell	

Dealing with errors in the reporting packs

- 3.9 Where the nuclear licensee identifies an error in a reporting pack, e.g. a cell incorrectly linking to another cell, they must notify us of the error as soon as possible. If we confirm there is an error, we will notify them. If there is adequate time before the submission deadline, we may instruct the nuclear licensee to correct the error in the reporting pack before it is submitted. We will, in accordance with Special Condition 21 (Part C), decide whether adequate time exists based on the materiality of the error and following consultation with the nuclear licensee. The change must be logged in the Template Change Log worksheet in the relevant reporting pack.
- 3.10 Where we identify an error in a reporting pack, we will notify the nuclear licensee. If there is adequate time before the submission deadline, we will instruct the nuclear licensee to correct the error in the reporting pack before it is submitted. We will decide whether adequate time exists based on the materiality of the error and following consultation with the nuclear licensee. The change must be logged in the Template Changes Log worksheet in the relevant reporting pack.

- 3.11 The nuclear licensee will be invited to work collaboratively with Ofgem in the first and second charging years, and more generally throughout the Pre-PCR Phase, to propose changes and improvements to the RIGs reporting templates as it evolves.

Complying with definitions

- 3.12 The nuclear licensee must align to definitions of key terms specified in the Licence when entering data in the reporting packs. In the circumstance where no definition is provided the nuclear licensee should include in explanatory notes details of the treatment it has applied and inform us of the omission. The nuclear licensee should consult us for clarification where there is doubt or uncertainty. The following defined terms are used throughout the workbooks therefore have been provided below for reference.

CPIH

means the Consumer Prices Index Including Owner Occupiers' Housing Costs.

ACI

Means Agreed Construction Indices

RAB

Means Regulated Asset Base

PCR

Means Post Construction Review

COD

Means Commercial Operations Date

Capex

Means Capital Expenditure

Opex

Means Operations Expenditure

PCFM

Price Control Financial Model

Accounting policies

- 3.13 The values reported in the RIGs are done so on the basis of accruals accounting using relevant accounting standards, with some exceptions for certain types of transactions which are described below. In general, the nuclear licensee should enter all costs on an accruals basis and exclusive of atypical items except where specifically instructed on the appropriate way to report data.
- 3.14 On an accruals basis (for the purposes of RIGs) means inclusive of all accruals and prepayments that are incurred as part of ordinary day-to-day business.
- 3.15 The nuclear licensee will need to ensure that actual expenditure is allocated consistently to the Allowable Capital Spend and Allowable Operational Spend variable values detailed in the licence on the same basis to the underlying allowances as set out at licence modification.
- 3.16 The nuclear licensee may report expenditure in the RIGs recognised as Stock or Prepayments within its statutory accounts. Where these balances relate to payments for items consistent with the definition of Allowable Capital Spend, these will be permitted to be capitalised on the RAB within the regulatory framework prior to PCR in line with the recognition of the prepayment or stock balance in the licensee's statutory accounts. The nuclear licensee will be required to provide supporting commentary alongside its RIGs submission that the expenditure is incurred in a manner consistent with the project specification.
- 3.17 Where the prepayment relates to an item consistent with the definition of Allowable Operational Spend, these will be permitted to be recognised as Opex within the regulatory framework prior to PCR provided that the expenditure is incurred in a manner consistent with the project specification.
- 3.18 Once any prepayments or stock items are capitalised on the RAB, no 'double-counting' of these balances as RAB additions is permitted if, for example the balance is subsequently recognised as fixed assets in the licensee's statutory accounts. The nuclear licensee is required to proactively engage with us to agree on the recognition of RAB additions where it decides to pre-emptively accelerate payments to suppliers in relation to stock and/or prepayment balances.

- 3.19 The nuclear licensee is required to diverge from accruals-based accounting standards in the costs it reports in its RIGs submissions for the following types of accounting entries:
- a) leases should not be capitalised and expensed in line with IFRS 16 in any RIGs cost submission. Instead, all lease costs (including any embedded financing costs) should be reported in the RIGs on a cash basis consistent with the definitions of Allowable Capital Spend and Allowable Operational Spend.
 - b) accounting entries associated with the creation or adjustment of provisions should be excluded from the cost submissions included in the RIGs, however the underlying payments to corresponding creditors should be reported in the RIGs on a cash basis in the charging year that the payments are made.
- 3.20 Specific guidance in relation to the timing of recognition of expenditure will be provided where the licensee has incurred costs that are not part of the normal costs of the regulated business and could not have been reasonably anticipated at licence modification, for example, one-time or unusual costs that significantly impact the licensee's financial statements (Atypical costs). This will be provided on a case-by-case basis, and the nuclear licensee is required to proactively engage with us where it believes it may have identified atypical expenditure throughout the Pre-PCR Phase.
- 3.21 IFRS16 requires leases to be reported on the balance sheet as liabilities, along with an asset reflecting the right to use the asset over the lease term. The income statement reports the associated depreciation and interest expenses.
- 3.22 We expect that where the nuclear licensee reports lease costs in line with IFRS16 in their statutory accounts, it will report the cost of the leased item on a cash basis and report the differences between statutory accounts and the RIGs as a reconciling item within worksheets R3A, R3B and R3C (Reconciliation to Capex, Reconciliation to Opex and Reconciliation to Totex), as appropriate, in the RFPR.

Use of estimates, apportionments and allocations

- 3.23 In certain circumstances the nuclear licensee may not be able to measure or record actual information. For example, if we request forecast information or 'counterfactual' information about alternatives that were discounted. In circumstances where the nuclear licensee is not able to measure and record

actual information, they may estimate the information they provide in the RIGs. Where estimated data is submitted the nuclear licensee must provide the reason the information could not be measured or recorded and the method it used to derive any estimate.

- 3.24 The nuclear licensee must also identify in the commentaries where they have used apportionments or allocations when completing the RIGs. Where the nuclear licensee has applied an apportionment or allocation methodology the basis of this must be kept on record and be provided in the relevant commentary. This should include a record of the systems and methodology used to derive the values submitted in the RIGs.
- 3.25 The nuclear licensee is required to ensure costs reported in the Cost and Schedule Workbook exclude any items of expenditure that they have been advised the Independent Technical Adviser (ITA) has issued a recommendation (or a draft recommendation) to classify as Excluded Project Spend (except for expenditure disallowed as it is cumulatively in excess of the HRT, which is excluded from Allowable Project Spend in calculations contained in the RIGs working files). The nuclear licensee is separately required to report these items in the Revenue Workbook.

Accuracy of reporting

- 3.26 Where appropriate, the nuclear licensee is required under Special Condition 23 (Data Assurance) to perform a risk assessment and carry out data assurance activities on specified information submitted in the RIGs. The data assurance activities carried out should ensure the accuracy of the information submitted.

Provision of historical data

- 3.27 All historical expenditure should be input in nominal terms, i.e. in the prices of the year to which the data relates.
- 3.28 The Costs and Volumes, and Revenue Reporting Packs require data to be submitted for the 12 months prior to the Electricity Generation Licence. The nuclear licensee must provide this data in the reporting pack submitted no later than two years after licence modification.
- 3.29 At each submission the nuclear licensee may resubmit values included in previous submissions. Changes to historical values may be due to finding an error in the recording or reporting of information.

- 3.30 Where a previously submitted value has been changed the nuclear licensee must notify us of this change and the reason for it by recording in the data change log in the relevant reporting pack.

Provision of forecast data

- 3.31 The nuclear licensee is required to provide forecasts in the RIGs. The purpose of requesting forecasts is to help us better understand the implementation of the economic regulatory regime and any changes to planned activities, and to allow us to examine the robustness of the nuclear licensee's forecasting processes over time.
- 3.32 Reporting of forecast expenditure should be in 2024/25 (CPIH) prices and include the expected impact of changes in real price effects, arising from changes in the price of inputs purchased, relative to economy-wide inflation (such as those within the scope of Agreed Construction Indices).

Overview of the commentaries

- 3.33 The purpose of commentaries is for the nuclear licensee to provide evidence and explanation of the information they are submitting. Accompanying the commentaries in the reporting packs, the nuclear licensee is also required to provide a high-level commentary that provides a strategic overview of the business for the preceding charging year.

4. Instructions for completing the Cost & Schedule Reporting Pack

Purpose of Cost & Schedule Reporting Pack

- 4.1 The purpose of this reporting pack is to facilitate the nuclear licensee providing historic, current and forecast cost and schedule data. This data is then used for calculating the nuclear licensee's additions to the RAB, various incentives and, as a result of subsequent data flows to other reporting packs, the nuclear licensee's Allowed Revenue. It also provides schedule data to facilitate Ofgem monitoring the nuclear licensee's delivery of its licence obligations and assess the likelihood of delays.

Description of Cost & Schedule Reporting Pack

- 4.2 The reporting pack contains a number of worksheets that allow the submission of cost data from the nuclear licensee's accounting system, as well as scheduling data from the nuclear licensee's project management software.
- 4.3 Cost worksheets undertake calculations in relation to foreign currency exchange and (general and construction) inflation. The Cost and Schedule Reporting Pack results in the reporting of total costs on a nominal, real (CPIH) and real (agreed construction inflation) basis.

Principal data flows

- 4.4 The Cost and Schedule reporting pack contains data flows in relation to schedule and cost.
- 4.5 Cost data that is submitted by the nuclear licensee in relation to cost is transferred to the Revenue Workbook via the Linking Sheet. This data then flows into the calculation of Allowed Revenue as a result of the following building blocks:
- a) Capex Incentive;
 - b) Opex Incentive; and
 - c) Opex Building Block.

This data also flows into the calculation of RAB Addition, and therefore indirectly into the value of the RAB and associated building blocks (depreciation, return on capital, additional return on capital).

- 4.6 The main worksheet that facilitates data flow is the Linking Sheet. This tabulates the totals from the nominal costs and inflation data (ACI and CPIH), for subsequent data linking into the Revenue Workbook.

Guidance for completing Cost & Schedule Workbook

- 4.7 The below section provides detailed guidance on relevant worksheets in the Cost and Schedule workbook to assist the nuclear licensee in discharging its reporting obligations.

Cover Sheet

Cover Sheet.

Contents Sheet

Contents Sheet.

Template Change Log

The nuclear licensee to record any amendments (formulae or presentation) that are made to the reporting pack, including the date those changes were made. Ofgem will also record any changes made to the reporting pack in this worksheet.

Data Change Log

The nuclear licensee must record any changes that it has made to data that has previously been submitted and the date this change was made. A reason for this change should be included.

1a, 2a, 3a - Nominal Cost Inputs (GBP, USD, EUR)

The nuclear licensee to populate these worksheets to reflect incurred spend in the appropriate currency (GBP, USD or EUR), reflecting the guidance contained within this document and other associated documents. Where costs are reported in GBP for costs settled in non-GBP currencies, these should be reported at the hedged rate if hedged consistent with the nuclear licensee's hedging policy or at spot rate if not hedged in accordance with the nuclear licensee's hedging policy.

2b, 3b – USD/Euro Conv

This worksheet is used for USD/Euro incurred spend, converted to GBP equivalent at realised hedged rate.

Construction Inflation Data

The nuclear licensee to populate this with construction inflation data consistent with the Agreed Construction Indices.

Consumer Inflation Data

The nuclear licensee to populate this with consumer price inflation data using Consumer Price Index including owner-occupier housing costs (CPIH).

Schedule

The nuclear licensee to provide schedule reporting in a style and manner consistent with schedule information submitted to its board for the purposes of monitoring schedule delivery.

The nuclear licensee may, outside the formal mechanism to revise the RIGs, revise the schedule reporting template it populates and provides to Ofgem to reflect changes in schedule reporting that it provides to its board as construction progresses.

Calculations (Implied FX US, EUR)

These worksheets calculate implied FX rates for each reporting area.

Tot Nominal Costs

This worksheet is automatically populated from the nominal cost inputs to calculate the total nominal costs the nuclear licensee is reporting.

Tot Real Costs (ACI)

This worksheet is automatically populated from the nominal cost inputs and construction inflation data to calculate the total real costs it is reporting, as deflated by the Agreed Construction Indices.

Tot Real Costs (CPIH)

This worksheet is automatically populated from the nominal cost inputs and Consumer Inflation Data to calculate the total real costs it is reporting, as deflated by the CPIH.

Linking Sheet

This worksheet summarises relevant data for the subsequent linking of data between the Cost and Schedule Workbook and the Revenue Workbook.

5. Instructions for completing the Revenue Workbook

Purpose of Revenue Workbook

- 5.1 The below section provides detailed guidance on relevant worksheets in the Revenue Workbook to assist the nuclear licensee in discharging its reporting obligations.

Description of Revenue Workbook

- 5.2 The Revenue Workbook facilitates the provision of three main types of data:
- a) Data required for the calculation of various Pre-PCR Phase incentives. The Revenue Workbook calculates the value of the Capex and Opex Incentives, while also providing a template for incentive data relevant for the calculation of the capacity incentive.
 - b) Data required for the calculation of various Pre-PCR building blocks, including Pass-Through Costs, Decommissioning, Cost of Debt Adjustment, Social Benefits and Communication, and Tax.
 - c) Other model input data required to operate the PCFM, including various model inputs used for calibrating the timing of various events (such as the commencement of commercial operation), and assumptions about various sources of Revenue the nuclear licensee may recover in the later years of the Pre-PCR Phase.

Principal Data Flows

- 5.3 Information that is captured in the Cost and Schedule workbook is linked to the Revenue Workbook through the Linking Sheet. This data is used alongside the nuclear licensee's input data requirements to calculate the Pre-PCR incentives and other variables. Data input into the Revenue Worksheets then flows directly into PCFM input sheets, which feeds into the PCFM Model.

Guidance for completing the Revenue Workbook

- 5.4 Below is a list of relevant worksheets, with associated guidance for the nuclear licensee to use for completion.

List of sheets

Worksheet

Guidance for Worksheet

Cover Sheet

Cover Sheet.

Contents Sheet

Contents Sheet.

Data Flow

This worksheet provides an overview of the main data flows between Cost and Schedule workbook, Revenue workbook and PCFM workbook.

Template Change Log

The nuclear licensee to record any amendments (formulae or presentation) that are made to the reporting pack, including the date those changes were made. Ofgem will also record any changes made to the reporting pack in this worksheet.

Data Change Log

The nuclear licensee must record any changes that it has made to data that has previously been submitted and the date this change was made. A reason for this change should be included.

R1 Capex Incentive

This worksheet calculates the annual value of the Capex incentive for the nuclear licensee. The nuclear licensee is required to input the Lower Regulatory Threshold data, the PCR date, and the Day-1 RAB. All other cells are inputs from other data sources or calculations. It is expected that the inputs are invariant throughout the course of the Pre-PCR Phase, however the model permits revisions of the Day 1 RAB in the event, for example, there are post-licence modification revisions arising from auditor adjustments.

R2 Opex Incentive

This worksheet calculates the value of the Opex Incentive for the nuclear licensee. The

nuclear licensee is required to input the Opex Pre-PCR Allowance. All other cells are inputs from other data sources or calculations.

R3 Pass-through

This worksheet is populated by the nuclear licensee to calculate the value of the Pass-Through Costs Building Block during the Pre-PCR Phase. These costs should be reported, and if necessary, restated, after any adjustments resulting from the Pass-Through Costs Audit.

R4 Capacity Incentives

This worksheet is populated by the nuclear licensee to provide model inputs necessary to calculate the relevant Capacity Incentives. In accordance with the Licence, the nuclear licensee is required to undertake Output Testing, in accordance with Good Industry Practice, to establish the capacity of the plant. If relevant, in accordance with paragraph 4(a) of Special Condition 29 (PCR Capacity Incentive) of the Licence, the nuclear licensee is required to substitute its own calculation of capacity with Ofgem's determination.

R5 Social Benefits & Communication

This worksheet is populated by the nuclear licensee to calculate the value of the Social Benefits & Communication spend. The sheet requires the nuclear licensee to provide an annual profile of the Social Benefits and Communication Allowance, as well as report actual expenditure. For projects over £1m, this sheet requires the nuclear licensee to provide project level reporting, detailing the desired output of each individual project funded by the Social Benefits and Communications Building Block, as well as the relevant Key Performance Indicators (KPIs) that the nuclear licensee is using to measure the success of each programme. The nuclear licensee is also required to provide supporting commentary to provide a high-level overview of the objectives of each programme, and an assessment of whether the programme is achieving its stated objectives.

R6 Related Parties Margin

This worksheet is populated by the nuclear licensee to facilitate the disclosure of expenditure and profit margins on transactions with related parties.

This schedule requires the nuclear licensee to disclose, for each relevant related party, the reported expenditure breakdown for Capex expenditure, Opex expenditure and Disposals.

For disposals the nuclear licensee is also required to disclose any disposals for assets

held (or recently held within the last two reporting periods) at non-zero net book value, where the disposal was for zero consideration.

We will work with the nuclear licensee to agree the list of related parties that this guidance applies to during the first year following licence modification.

R7_Decommissioning

This worksheet is populated by the nuclear licensee to calculate the Funded Decommissioning Programme (FDP) Building Block.

R8_Tax

This worksheet is populated by the nuclear licensee to enable the PCFM to calculate the Tax Building Block. This worksheet includes two discrete sections:

- a) The Tax Building Block section of this worksheet requires the nuclear licensee to report the historic value of the Tax Allowance, Tax Allowance Adjustment and Tax Building Block. These inputs will be provided to the nuclear licensee by Ofgem as a part of each years' Annual Revenue Setting Process
- b) The PCFM tax inputs section requires the nuclear licensee to provide detailed tax inputs to enable the PCFM to calculate the value of the Tax Building Block.

Certain inputs are required to be input by the nuclear licensee in the first reporting period and are not expected to ordinarily change year on year. These are identified in the workbook by the layout and non-time variant nature of the inputs. If the nuclear licensee wishes to adjust these figures, it is required to discuss the input change with us first.

The nuclear licensee is required to disclose to us various adjustments required to the notional tax calculation to take account of matters relating to decommissioning and the management of nuclear fuel. These should initially be reported on a basis consistent with the modelling undertaken by the nuclear licensee at licence modification.

R9_Cost of Debt Adjustment

This worksheet is populated by the nuclear licensee to enable the PCFM calculate the Allowed Revenue by including the value of the variables required to calculate the Cost of Debt Adjustment (CDA) Building Block. The nuclear licensee is separately required to operate and maintain the CDA model. It is expected that the licensee will transparently

transpose values into the Revenue Workbook from the CDA model. Where the nuclear licensee anticipates adjusting the outputs of the CDA model, it must provide relevant supporting detail to facilitate our review of any adjustments.

R10_Other inputs

This worksheet is populated by the nuclear licensee and includes various data required to operate the PCFM. It includes:

- a) A requirement to report information to facilitate the calculation of Recovered Revenue.
- b) Reporting related to market prices, to facilitate the calculation of the Market Price Adjustment Building Block.
- c) Other miscellaneous reporting requirements, including the requirement for the nuclear licensee to report information relating to buybacks and curtailment, and information on disposals and insurance proceeds.

R11_Event Timing Data

This worksheet includes various information required to populate timing flags included in the PCFM.

R12_Opex Allocation Matrix

In order to achieve alignment to both the Pre-PCR cost assurance work and Construction Indices agreed between the nuclear licensee and Department for Energy Security and Net Zero (DESNZ), the Cost and Schedule workbook requires more granular reporting of Opex costs than required by the PCFH. This schedule provides a mechanism for the nuclear licensee to allocate the costs reported in the Costs and Schedule Workbook to the high-level reporting categories used in the PCFM.

R13_Excluded Project Spend

This worksheet requires the nuclear licensee to disclose via the RIGs any expenditure that the ITA has (or is minded to) recommend should be classified as Excluded Project Spend. This schedule should align to other information shared with Ofgem on Excluded Project Spend.