

**Electricity Distribution  
Price control revenue reporting:  
Regulatory Instructions and Guidance  
(version1)**

March 2005 70/05

## **Summary**

This document is version 1 of the Price Control Revenue Reporting: Regulatory Instructions and Guidance (the “revenue reporting rigs”).

The purpose of this document is to facilitate the collection of information on a common basis, and to an appropriate degree of accuracy, by each Distribution Network Operators (DNOs) to enable Ofgem to effectively monitor compliance with the price control conditions. This version of the revenue reporting rigs will take effect from 1 April 2005. The revenue reporting rigs may be modified in accordance with the change control procedures detailed in standard condition 50.

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# 1. Introduction

- 1.1. Ofgem has set out revised distribution price control obligations that will apply from 1 April 2005. These price controls establish a number of charge and revenue restrictions and define the scope of those restrictions. Version 1 of the Price Control Revenue Reporting: Regulatory Instructions and Guidance (the “revenue reporting rigs”) has been prepared and introduced pursuant to standard condition 50 of the distribution licence (SLC 50). The purpose of this document is to facilitate the collection of information on a common basis, and to an appropriate degree of accuracy, by each Distribution Network Operators (DNOs) to enable Ofgem to effectively monitor compliance with the price control conditions. This is an important element in the protection of customers’ interests whilst at the same time minimising the burden of regulation.
- 1.2. This document sets out related instructions and guidance for the collection and reporting of “specified information”. Those items that are “specified information” are defined in sub-paragraph 3(e) of standard condition 50, and include those items in the following five categories:
  - ◆ demand revenues and associated terms;
  - ◆ generation revenues and associated terms;
  - ◆ metering revenues associated terms;
  - ◆ excluded services revenue and revenue outside of the price control; and
  - ◆ de minimis revenues.
- 1.3. For the avoidance of doubt this document is subordinate to those licence conditions that may apply to the determination of allowed revenues or which contain associated reporting obligations. The document will not change, alter, or amend, any definition or obligation contained within the distribution licence and, in the event of any inconsistency between the licence conditions and this document, the licence conditions will take precedence.
- 1.4. The revenue reporting rigs may be modified, from time to time, in accordance with the change process set out in paragraphs 10 to 14 of standard condition 50. Ofgem recognises that any significant changes to the scope or form of the information that it requests from the DNOs could not only increase the

regulatory burden upon licensees but may also increase the perception of regulatory risk. Ofgem will take all reasonable steps to minimise the number of changes to the scope and form of the information it requests in relation to this document, consistent with Ofgem carrying out its functions under the Electricity Act 1989.

## ***Structure of this document***

1.5. This document covers the following main areas:

- ◆ **Chapter 2** – Instructions reporting specified items
- ◆ **Chapter 3** – Definitions for reporting specified information
- ◆ **Chapter 4** – Reporting arrangements
- ◆ **Chapter 5** – Process for dealing with an event of material impact on the consistency or accuracy of information
- ◆ **Chapter 6** – Additional guidance on the reporting of information in the templates
- ◆ **Appendix 1** – This section details the templates to be completed for the returns.

## 2. Instructions for reporting specified items

### *Introduction*

- 2.1. This section sets out the procedures for reporting specified information to Ofgem. These arrangements have been designed to strike an appropriate balance between effective monitoring of compliance with the charge restriction conditions and minimising the regulatory burden on licensees.

### *Provision of information to the Authority*

- 2.2. Standard condition 50 places obligations on each licensee to provide specified information in relation to the reporting framework in the form of the following statements and reports:
- ◆ a statement (“**initial report**”) providing the licensee’s best estimate of the value of each specified item in the form set out in template B, for the relevant year t, representing an estimate made on or before 1 April;
  - ◆ a statement (“**updated report**”) providing the licensee’s best estimate of the value of each specified item in the form set out in template B, for the relevant year t, representing an estimate made after 31 July; and
  - ◆ a statement and accompanying report from an appropriate auditor (the “**audited report**”) providing the outturn value, for the relevant year t, of each specified item in the form set out in template A.
- 2.3. Standard condition 50 requires that this information to be provided no later than the following:
- ◆ **1 April** of the relevant year t – the initial report;
  - ◆ **31 October** of the relevant year t – the updated report; and
  - ◆ **31 July** following the end of the relevant year t – the audited report.

## 3. Definitions for the reporting of specified information

### *Introduction*

- 3.1. This section sets out the definitions for the reporting of specified information.

### *Part (i) – Restriction on demand use of system charges*

- 3.2. The “**demand revenue restriction**” is the charge restriction established by special condition B1 (Restriction of distribution charges: demand use of system charges). The purposes of that condition are to establish the charge restrictions that determine the level of allowed demand revenue that may be recovered from demand use of system charges by the licensee and to set out the obligations of the licensee in respect of those restrictions.
- 3.3. “**Allowed demand revenue**” ( $AD_t$ ) is the total amount of revenue determined by the demand revenue restriction, as calculated by the following formula:

$$AD_t = BR_t + PT_t + IP_t - KD_t$$

where, each of the terms is explained below, including the cross references to the relevant clauses in the licence conditions where the detailed terms are defined.

### *Base demand revenue ( $BR_t$ )*

- 3.4. “**Base demand revenue**” ( $BR_t$ ) is the baseline revenue allowance determined by the Authority in respect of the demand revenue restriction, adjusted for inflation, customer growth, volume growth, and merger policy. It is calculated using the formula given in paragraph 4 of special condition B1:

$$BR_t = (PU \times GR_t + PE) \times PIAD_t - MG_t$$

where, each of the terms is defined in that paragraph.



### ***Allowed pass-through items (PT<sub>t</sub>)***

- 3.5. “**Allowed pass-through items**” (PT<sub>t</sub>) is the revenue adjustment, whether of a positive or negative value, determined in accordance with special condition B2 (Restriction of distribution charges: allowed pass-through items) using the following formula:

$$PT_t = LF_t + RB_t - HB_t + MPT_t + UNC_t$$

where, each of the terms in the formula is defined in that condition.

### ***Total incentive revenue (IP<sub>t</sub>)***

- 3.6. “**Total incentive revenue**” (IP<sub>t</sub>) is the revenue adjustment, whether a positive or negative value, determined in accordance with special condition B3 (Restriction of distribution charges: total incentive revenue adjustment) using the following formula:

$$IP_t = IL_t + IQ_t + IFI_t$$

where, each of the terms in the formula is defined in that condition.

### **Standards of performance compensation**

- 3.7. “**IQ<sub>t</sub>**” is the amount of the total incentive revenue adjustment that represents the performance of the licensee in achieving targets for quality of supply, rewards best practice, and makes adjustments to revenue in relation to the normal and severe weather standards for supply restoration.
- 3.8. The quality of service rigs established under standard condition 49 provides guidance and instructions for reporting information on the outputs of the quality of service incentive scheme. However, the quality of service incentive scheme for 2005 to 2010 includes mechanisms to make adjustments to revenue in respect of the supply restoration standards.

### ***The correction factor (KD<sub>t</sub>)***

- 3.9. “**the correction factor**” (KD<sub>t</sub>) is the revenue adjustment, whether of a positive or negative value, representing the difference between regulated demand revenue and allowed demand revenue in the relevant year t-1. The adjustment is calculated using the formula given in paragraph 5 of special condition B1:

$$KD_t = (RD_{t-1} - AD_{t-1}) \times \left[ 1 + \frac{(I_t + PR_t)}{100} \right]$$

and each of the terms in the formula is also defined in that paragraph.

### ***Part (ii) – Restriction on generation use of system charges***

- 3.10. The “**network generation revenue restriction**” is the charge restriction established by special condition D1 (Restriction of distribution charges: generation use of system charges). The purposes of that condition are to establish the charge restrictions that determine the level of allowed network generation revenue that may be recovered from generation use of system charges by the licensee and to set out the obligations of the licensee in respect of those restrictions.
- 3.11. “**Allowed network generation revenue**” (AG<sub>t</sub>) is the total amount of revenue determined by the network generation revenue restriction, calculated using the formula:

$$AG_t = IG_t + RPZ_t - KG_t$$

where, each of the terms is defined in special condition D1.

### ***Incentive revenue adjustments for distributed generation (IG<sub>t</sub>) and registered power zones (RPZ<sub>t</sub>)***

- 3.12. “**IG<sub>t</sub>**” is the amount of incentive revenue adjustment to reflect the performance of the licensee in relation to connection of distributed generation (DG). It is derived from the following formula given in special condition D2:

$$IG_t = GI_t + GP_t + GO_t$$

- 3.13. “**RPZ<sub>t</sub>**” is the amount of incentive revenue adjustment to reflect the performance of the licensee in relation to the registered power zone incentive scheme. It is derived from the formula given in special condition D2:

$$RPZ_t = PIAG_t \times \min(giz \times gczt)$$

- 3.14. Each of the terms given in the formulae for IG<sub>t</sub> and RPZ<sub>t</sub> will be determined in accordance with the procedures, processes and guidance given in the DG rigs document.

### ***The generation correction factor (KG<sub>t</sub>)***

- 3.15. “**the correction factor**” (KG<sub>t</sub>) is the revenue adjustment, whether of a positive or negative value, representing the difference between network generation revenue and allowed network generation revenue. The adjustment is calculated using the formula:

$$KG_t = (RG_{t-1} - AG_{t-1}) \times \left[ 1 + \frac{(I_t + PR_t)}{100} \right]$$

where, each of the terms in the formula is also defined in that special condition D1.

### ***Part (iii) –Restriction on basic metering charges***

- 3.16. Metering charge restrictions are separated into the two areas meter asset provision and meter asset operation
- 3.17. The restrictions on charges for “**basic meter asset provision**” are set out in paragraphs 2 to 8 of special condition F1 (Restriction of basic metering charges). The purposes of these restrictions is to determine the amount of the maximum charges that may be levied by the licensee for the provision of basic metering assets, including those charges for:
- ◆ single-phase single-rate credit meters (SRCM);
  - ◆ single-rate token prepayment meters (TPPM);
  - ◆ single-rate key prepayment meters (KPPM);
  - ◆ single-rate smartcard prepayment meters (SPPM); and
  - ◆ all other meters (MAPPC).
- 3.18. The “**basic meter operation revenue restriction**” is set out in paragraph 9 of special condition F1 (Restriction of basic metering charges). The purpose of this restriction is to determine the level of allowed meter operation revenue that may be recovered in relation to the provision of basic meter operation services by the licensee using the following formula:

$$MOP_t = MOPR_t - RMA_t$$

where, each of the terms is defined in special condition F1.

- 3.19. **MOPR<sub>t</sub>** is the baseline allowance for the provision of basic meter operation services and is determined as follows:

$$MOPR_t = MRV_t \times PIT_t$$

- 3.20. **RMA<sub>t</sub>** is the revenue adjustment, whether of a positive or negative value, for changes in the level of chargeable metering activities and is derived from the formula given in paragraph 10 of special condition F1:

$$RMA_t = SCA_t + PCA_t + CTCA_t$$

### ***Part (iv) – Excluded services***

- 3.21. “**Excluded services**” are those services provided by the licensee as part of its distribution business in respect of which such charges as are or may be levied may be treated as falling outside the scope of the charge restrictions otherwise imposed by or under the licence.
- 3.22. The basis on which services may be treated as excluded services is set out in special condition A2 (scope of the charge restriction conditions).

### ***Part (v) - De minimis business***

- 3.23. “**De minimis Activities**” are the collection of activities associated with de minimis business as defined in standard Licence Condition 1.

### ***Part (vi) Revenue Outside of the Price Control***

- 3.24. “**Revenue outside the price control**” includes those items that are relevant to the operation of the charge restriction conditions, which do not fall within the items specified under parts (i) to (v). These are:
- ◆ transmission exit charges payable by the licensee;
  - ◆ wheeling costs incurred by the licensee (for the avoidance of doubt, charges payable by the licensee for units entering its network); and
  - ◆ revenue associated with those parts of the licensee’s distribution system not forming part of the distribution services area

## 4. Reporting arrangements

### *Introduction*

- 4.1. It is important that a clear set of arrangements are in place for reporting revenues accurately and on a consistent basis. This section details the procedures for reporting revenue.
- 4.2. These arrangements have been designed to strike an appropriate balance between the regulatory burdens on DNOs and the effective monitoring of its compliance with the charge restriction conditions.

### *Provision of an allowed revenue model*

- 4.3. For the purposes providing information to the Authority, Ofgem will provide a copy of its allowed revenue model. The input and price control report areas of the model are those which appear in templates A and B, which are provided in Appendix 1 of this document.
- 4.4. The provision of a model will promote transparency in calculations between Ofgem and the licensees. However the licensee is not obliged to complete the returns using the model.
- 4.5. Template A in appendix 1 gives the detailed return and requires submission of the input sheets and detailed price control reports. It is important to note that the detailed price control report will contain further input sheets – specifically the section 8 with reconciliation of actual turnover to the regulatory accounts, section 6 charges and all commentary sections.
- 4.6. Template B gives the forecast return and requires only the submission of a report generated from the input pages.
- 4.7. For Template A if the licensee does use the model then they need only complete the input pages which would include the relevant commentaries, tariff and reconciliation to regulatory accounts sections. All other information contained within the price control report of the detailed return would be automatically generated

- 4.8. If the licensee chooses not to use the model then it should complete Template A as a pro-forma and submit all information required. This includes all input sheets and all price control report sections.

### ***Provision of a “severe weather payment” model***

- 4.9. Some areas of the quality of incentive scheme require that compensation payments for severe weather events be disclosed. These payments are dependent upon the type and duration of an event.
- 4.10. Ofgem will issue a “severe weather payment” model. In this model the licensee will enter data into an input area and a series of values will be derived for  $SWPM_t$ ,  $SWPD_t$ ,  $NCPM_t$  and for  $NCPD_t$ . For Scottish Hydro-Electric Power Distribution it will derive the additional terms  $HIPD_t$  and  $HIPM_t$ . These values will have been determined in accordance with the quality of supply rigs.
- 4.11. If the licensee chooses, it may complete the disclosure of these terms using their own systems. If they chose to do this then they will have to submit their own schedules used in calculating each of the relevant terms given above. These schedules should be of an appropriate format which clearly shows the derivation of the relevant terms.
- 4.12. It should be noted that in either instance customers restored at the boundary, between payment thresholds, should be allocated to the higher payment band. For example under category 1 severe weather a customer restored after 36 hours should receive 2 payments of £25 and hence should fall into the second payment band (not the first).
- 4.13. The licensee will be required to send a completed model or supporting schedules (if the licensee chooses not to use the model) to Ofgem, which was reviewed by their auditors in line with the guidance below, by the 31<sup>st</sup> July of following the end of the relevant year.
- 4.14. The severe weather payment model will be issued in conjunction with the allowed revenue model. However both are independent of each other.

## ***Audit Requirements***

- 4.15. Paragraph 6 of standard condition 50 requires that the detailed return be accompanied by an auditor's report and a letter from the auditors which sets out the audit procedures they have followed in reaching their opinion. Both these documents should be sent to the Authority in conjunction with a hard copy of the detailed return (which contains both an input sheet and price control report). In the covering letter the auditors should also state whether the licensee has completed the returns using their own systems or Ofgem's allowed revenue model and consequently what information was audited.
- 4.16. If the licensee completes the returns using the allowed revenue model then the following information is required to be audited.
- All information contained within the input sheets
  - All commentaries given in section 5
  - Section 7 of the price control report (reconciliation of turnover from the regulatory accounts to the regulatory return)
  - All commentaries given in section 8 of the price control report
- 4.17. The licensee should also send an electronic copy of the model as well.
- 4.18. If the licensee does not use the model then the following information should be audited:
- All information required in the input page of Template A
  - All information required in sections 1 to 5 (inclusive) of the price control report. This includes ensuring that all tables are arithmetically correct and where cross referencing occurs all values correspond.
  - The information required by section 7 of the price control report.
  - All commentaries given in section 8



## ***Audit Requirements for $SWPD_t$ , $SWPM_t$ , $NWPD_t$ , $NWPM_t$ , $HIPD_t$ and $HIPM_t$***

- 4.19. If the licensee uses the Severe Weather Payment model for the derivation of  $SWPD_t$ ,  $SWPM_t$ ,  $NCPD_t$ ,  $NWPM_t$  and where appropriate  $HIPD_t$  and  $HIPM_t$ , the licensee shall ensure that :
- the inputs to the spreadsheet are audited;
  - the outputs and values of the model agrees to the values disclosed in Section 8 of the price control report of the detailed return.
- 4.20. The auditors will be not be required to review the cell formulas contained within the severe weather payment model.
- 4.21. A hard copy of the spreadsheets should be submitted by the auditors in conjunction with their report (and in conjunction with the detailed return).
- 4.22. If the licensee chooses to calculate the terms using their own systems the licensee shall ensure that:
- all schedules that are submitted to Ofgem which support the calculations for the derivation of  $SWPD_t$ ,  $SWPM_t$ ,  $NCPD_t$ ,  $NCMP_t$  and where appropriate  $HIPD_t$  and  $HIPM_t$ ; are audited
  - Ensure the values disclosed in each of the schedules agree to the values disclosed in Section 8 of the detailed return.
- 4.23. Copies of the schedules should be submitted by the auditors in conjunction with their auditors report (and detailed returns).

## ***Audit for $IQ_t$ term***

- 4.24. The  $IQ_t$  term and its components (except for  $SWPD_t$ ,  $SWPM_t$ ,  $NCPD_t$ ,  $NCMP_t$  and where appropriate  $HIPD_t$  and  $HIPM_t$ ) fall outside the scope of the audit and as such are not required to audited.

## ***Ofgem's role in reporting***

- 4.25. The provision of the regulatory returns, both forecast and detailed, will be scrutinised by Ofgem to ensure that DNOs are in compliance with the charge restriction conditions. Ofgem will undertake as much analysis as is deemed necessary to ensure that this objective is satisfied.

## 5. Process for dealing with an event with a material impact on the consistency or accuracy of information

### *Introduction*

- 5.1. It is important that Ofgem can collect information on a common and accurate basis and to this end the RIGs aims to provide a reporting framework. From time to time events may occur which have a significant impact upon the determination of allowed revenue but which are not covered by the general requirements of this document. Standard condition 50 seeks to make provision for such circumstances and to ensure that a reasonable degree of consistency is maintained in approach by DNOs.

### *Defining the event*

- 5.2. Standard condition 50 requires that where the Revenue Reporting rigs do not provide adequate or sufficient guidance in relation to the collection and reporting of specified items following:
- ◆ a change in industry process or procedures on or after 1 April 2005 which has a significant effect on the calculation of one or more specified items; or
  - ◆ a change in the process or procedures of the licensee on or after 1 April 2005 which has a significant effect on the calculation of one or more specified items;

the licensee shall request guidance from the Authority in relation to the treatment of such items.

- 5.3. Regulatory involvement in determining the treatment of the event is subject to a “significant effect” test which is defined in standard condition 50 as a change to the calculation of one or more specified items such that:

- ◆ its effect on the calculation of allowed demand revenue exceeds, or is likely to exceed, 1 per cent of base demand revenue; or
- ◆ its effect on the calculation of allowed network generation revenue exceeds, or is likely to exceed an amount which is equal to 0.5 per cent of base demand revenue.

5.4. Once the request for guidance has been made, the Authority will seek to consult with both the licensee, and other DNOs, which are effected by the change. In some cases, it may be necessary to modify this document to reflect the new circumstances. Any necessary change will therefore be made in accordance with the relevant change control mechanism detailed in Part E of standard condition 50.

## 6. Additional guidance for the reporting of specified information in the templates

### *Introduction*

- 6.1. This section sets out guidance for the reporting of specified information contained within templates A and B of Appendix 1.

### *Information Requirements for Template A*

- 6.2. Template A is the detailed return and consists of a series of input sheets and a price control report.

### *Input Sheets: Demand, Generation and other revenue streams*

- 6.3. The input sheet is split into 6 areas: basic information, demand, generation, revenue outside the price control, excluded services and de minimis activities. The input sheet has been formatted for data validation and data should be entered into the green shaded area. Licensees not using the allowed revenue model provided by Ofgem should complete this section of Template A as shown below:
- 6.4. Basic information relates to RPI and interest rates ( $I_t$ ). Both these terms should be stated to 2 decimal places.
- 6.5. For demand information, the terms should be stated as follows:

<u>Items</u>	<u>Level of disclosure</u>
Customer numbers	4 decimal places (eg 2.5613m)
Units distributed (EHV,HV,LV1,LV2,LV3)	to the nearest GWh
Unmetered units entering	to the nearest GWh
Metered units entering	to the nearest GWh

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<u>Items</u>	<u>Level of disclosure</u>
Unmetered units exiting	to the nearest GWh
Metered units exiting	to the nearest GWh
Amounts at shared meter points	to the nearest GWh
PVL <sub>t</sub>	to the nearest GWh
IQ <sub>t</sub>	to 2 decimal places in £m (eg £1.45m)
SWPD <sub>t</sub>	to the nearest £ (eg £2,456)
SWPM <sub>t</sub>	to the nearest £
NCPD <sub>t</sub>	to the nearest £
NCPM <sub>t</sub>	to the nearest £
HIPD <sub>t</sub>	to the nearest £
HIPM <sub>t</sub>	to the nearest £
IFIE <sub>t</sub>	to 2 decimal places in £m
IFIIE <sub>t</sub>	to 2 decimal places in £m
LP <sub>t</sub>	to 2 decimal places in £m (eg £0.56m)
RP <sub>t</sub>	to 2 decimal places in £m
MPT <sub>t</sub>	to 2 decimal places in £m
UNC <sub>t</sub>	to 2 decimal places in £m
HB <sub>t</sub>	to 2 decimal places in £m

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TPC <sub>t</sub>	to 2 decimal places in £m
LPSF <sub>t</sub>	to 2 decimal places in £m
EP <sub>t</sub>	to 2 decimal places in £m
SH <sub>t</sub>	to 2 decimal places in £m
RD <sub>t</sub>	to 2 decimal places in £m

6.6. For generation information, the terms should be stated as follows:

gC <sub>t</sub>	to the nearest MW
gt <sub>t</sub>	to 2 decimal places in £m
gps <sub>t</sub>	to 2 decimal places in £m
gpc <sub>t</sub>	to 2 decimal places in £m
gcZ <sub>t</sub>	to 2 decimal places in £m
RG <sub>t</sub>	to 2 decimal places in £m

6.7. All monetary items relating to revenue outside the price control, excluded services and de minimis activities should be disclosed to 2 decimal places in £m. Units distributed in association with EHV excluded services should be disclosed to the nearest GWh.

6.8. For other excluded services (ES9), other metering (ES10) and de minimis revenue the licensee should add as many rows as necessary to ensure all information relating to these activities is complete.

### ***Input sheets for Losses***

6.9. The input sheet for losses requires the site name to be disclosed and for each year the loss adjustment factor associated with that site (LAG<sub>it</sub>) and the units entering the system from that site (DGV<sub>it</sub>). Data should be entered into the green shaded cells.

6.10. The values entered into LAG<sub>it</sub> input area should be stated to 3 decimal places and should not exceed 0.997. Furthermore licensee should add as many rows as necessary to ensure all information relating to sites is complete.

### ***Input sheet metering***

6.11. The input sheet for metering is split into 3 areas meter asset provision, meter asset operation and metering excluded services. All data should be entered into the green shaded cells.

6.12. The meter asset provision section is further split into disclosure for each of the meter types SRCM<sub>t</sub>, TPPM<sub>t</sub>, KPPM<sub>t</sub>, SPPM<sub>t</sub> and MAPPC<sub>t</sub>.

6.13. For TPPM<sub>t</sub>, KPPM<sub>t</sub> and SPPM<sub>t</sub> the licensee is required to state the reduction in the asset life and should disclose in the appropriate area:

- LRTPPM<sub>t</sub>
- LRKPPM<sub>t</sub>
- LRSPPM<sub>t</sub>

6.14. For MAPPC<sub>t</sub> the licensee is also required to disclose MEAP<sub>t</sub> and ELA<sub>t</sub>.

6.15. Furthermore for each of the SRCM<sub>t</sub>, TPPM<sub>t</sub>, KPPM<sub>t</sub>, SPPM<sub>t</sub> and MAPPC<sub>t</sub> meters the licensee is also required to state the actual charge. The DNO can vary the charge within each of asset classes but cannot exceed the maximum derived charge. For example if the maximum charge for SRCM<sub>t</sub> was £1.14 in a specific the regulatory year the DNO could charge £1.05 to one group of customers and £1.08 to another – but not exceed the £1.14. If the DNO does vary the charge then they are required to disclose the actual charge (taken from the metering statement) for each type of meter within the asset class and the number of meters. This is shown below:



Type	Charge	Number of meters
1	1.08	5,326
2	1.05	4,258

- 6.16. If the DNO only charges a single amount for each metering asset then they should only disclose that amount and the number of associated meters. Continuing from the previous example if the DNO charges the maximum amount then it would disclose the £1.14 as the charge as well as the number of meters associated with the charge.
- 6.17. The actual charge should be given in £ and to 2 decimal places and the number of meters should be given in integer form
- 6.18. For Meter Asset Operation the licensee is required to specify activities relating to SPCA<sub>t</sub>, PPCA<sub>t</sub> and CCA<sub>t</sub>. This should be given in integer form.
- 6.19. For other metering excluded services the licensee should enter as many rows as necessary to ensure all information is complete. Furthermore all items should be given in £m and stated to 2 decimal places.

***Detailed Return: price control report***

- 6.20. The allowed revenue model will derive some values associated with the price control report of the detailed return and disclose them in the relevant sections. Some sections within the price control report of the detailed return will contain additional input area. These are section 6 (charging), section 9 (reconciliation to the regulatory accounts of actual turnover) and all commentaries.
- 6.21. As mentioned earlier the detailed output report does not have to be completed using the allowed revenue model provide by Ofgem. The remainder of this section will specify the reporting accuracy for information contained within the report should the licensee choose to use their own systems. All licensees should refer to the requirements given below for completing commentaries as well as sections 6 and 9.

## Section 1: Summary

- 6.22. Section 1 is concerned with the disclosure of summary information. Table 1 specifies information on allowed demand ( $AD_t$ ) and generation revenue ( $AG_t$ ) as well as revenue gained from meter asset provision ( $MAP_t$ ) and meter asset operation ( $MOP_t$ ). All these values should be disclosed in £ million within 2 decimal places (eg £265.85).

## Section 2: Allowed Demand Revenue

- 6.23. Section 2 is concerned with the derivation allowed demand revenue and is split into 5 areas which are:

- Summary Information (Table 1)
- Derivation of base revenue and associated terms (tables 2a to 2e)
- Derivation of pass through items and associated terms (tables 3a to 3d)
- Derivation and disclosure of Incentive Payments 9 (tables 4a to 4e)
- Derivation of the correction factor (table 5a and 5b)

- 6.24. In table 1 the licensee is required to state the total allowed demand revenue ( $AD_t$ ) and each of the component terms -  $BR_t$ ,  $PT_t$ ,  $IP_t$  and  $KD_t$ . Furthermore the licensee is also required to state the regulated demand revenue ( $RD_t$ ) and the level of over or under recovery.

- 6.25. Tables 2a to 2e refer to the derivation of Base Revenue ( $BR_t$ ) and associated terms involved in its calculation. Table 2a specifies each of the component terms used in the calculation of  $BR_t = GR_t + PU.GR_t + PE + PIAD_t + MG_t$ . Table 2b requires a breakdown of the  $GR_t$  term, Table 2c refers to the  $PU \times GR_t$  calculation, Table 2d refers to the derivation of  $PIAD_t$  and table 2e refers to the derivation of  $MG_t$ . Each of end values disclosed in tables 2b to 2e should be consistent with the values disclosed in Table 2a. (i.e the value for  $MG_t$  derived in table 2e should equate to the  $MG_t$  value in table 2a). Likewise the  $BR_t$  term in table 2a should be consistent with the value given in table 1.

- 6.26. Tables 3a to 3d refer to the derivation of pass through items ( $PT_t$ ). Table 3a is summary information requiring disclosure of each of the component terms  $LF_t$ ,  $RB_t$ ,  $HB_t$ ,  $MPT_t$  and  $UNC_t$ . Table 3b requires the derivation of Licence Fees ( $LF_t$ ), Table 3c refers to the calculation of business rates ( $RB_t$ ) and Table 3d refers to Miscellaneous Pass through items ( $MPT_t$ ). Each of the end values disclosed in tables 3b to 3d should be consistent with the values disclosed in table 3a. Likewise the  $PT_t$  term should given in table 3a should agree to the  $PT_t$  term given in table 1.
- 6.27. It should also be noted that additional disclosure requirements relating miscellaneous pass through items is required in section 9. The value of  $MPC_t$  in section 9 should equate to the value of  $MPC_t$  in table 3d.
- 6.28. Tables 4a to 4e refer to incentive payments ( $IP_t$ ). Table 4a is summary information requiring the value of the losses incentive ( $IL_t$ ), the quality of supply incentive ( $IQ_t$ ) and the innovative funding incentive ( $IFI_t$ ).  $IQ_t$  is determined in accordance with the quality of supply rigs and similarly  $IFI_t$  is determined in accordance with the distributed generation, innovative funding incentive and registered power zone rigs.
- 6.29. Table 4b refers to derivation the innovation funding incentive ( $IFI_t$ ) and requires the disclosure of  $ptri_t$ ,  $IFIE_t$ ,  $CBR_t$ ,  $KIFI_t$  and  $IFIIE_t$ . All items should given to 2 decimal places.
- 6.30. The losses incentive ( $IL_t$ ) is referred to in tables 4c to 4e. Table 4c is a summary of the derivation of the losses and the licensee is required to split the incentive between before 1<sup>st</sup> April 2005 and afterwards. Furthermore the total value for losses incentives ( $IL_t$ ), given in the end of table 4b, should agree with the value given in table 4A.
- 6.31. Tables 4d requires a breakdown of the losses incentive for units distributed after 1.4.2005 and the disclosure of  $AL_t$ ,  $ALP_t$ ,  $L_t$ ,  $LR_t$  and  $PIAL_t$ . The end value given in row 6 of table 4c should agree with the value given in row 1 of table 4c.
- 6.32. Table 4e requires the breakdown of the losses incentive for units distributed before 1<sup>st</sup> April 2005 and the disclosure of  $PLR_t$ ,  $PIAL_t$ ,  $ALP_t$  and  $PVL_t$ . The end

value given in row 5 of table 4d should agree with the value in row 2 of table 4c.

6.33. Finally tables 5a and 5b refer to the derivation of the correction factor ( $KD_t$ ). Specifically table 5a refers to the derivation of the correction factor from 2006/07 (second year of the price control) and requires the statement of  $AD_{t-1}$ ,  $RD_{t-1}$ ,  $I_t$  and  $PR_t$ .

6.34. The following terms should be stated as follows:

- $GR_t$  and  $PIAD_t$  should be stated to 4 decimal places
- $MG_t$  should be stated to 3 decimal places

6.35. All other terms in Section 2 should be stated as follows:

- All monetary values to within 2 decimal places
- All percentages to within 2 decimal places
- All customer numbers to within 4 decimal places (eg 2.5656m)
- All units of electricity within the nearest GWh (eg 29014 GWh)

### **Section 2a and 2b: Losses**

6.36. Section 2a and 2b are additional disclosure requirements in relation to losses. Section 2a is separated into 3 tables. Table 1 derives lost units ( $L_t$ ) and the value stated here should agree to the value given in table 4c of Section 2. Each of the component terms is subsequently derived in tables 2 (adjusted units entering system) and table 3 (adjusted units exiting system).

6.37. Table 2 has a distributed generation adjustment ( $DGA_t$ ). The derivation of this is given in section 2b. When disclosing information in section 2b licensees should add as many rows as necessary to ensure all information is complete. Furthermore the value of the loss adjustment factor applicable to a given entry point ( $LAG_{it}$ ) should not exceed the 0.997.

6.38. All units in sections 2a and 2b should be stated as follows:

- All information relating to units of electricity should be stated to the nearest GWh
- All information relating to  $LAG_{it}$  should be disclosed to within 3 decimal places (eg 0.965).

### **Section 3: Allowed Generation Revenue**

- 6.39. Section 3 is concerned with the determination of allowed generation revenue ( $AG_{it}$ ). Table 1 is summary information and requires the statement of each of the component terms –  $IG_{it}$ ,  $RPZ_{it}$  and  $KG_{it}$ . Furthermore it also requires disclosure of regulated generation revenue ( $RG_{it}$ ) and the over/(under) recovery.
- 6.40. Table 2 refers to distributed generation ( $IG_{it}$ ). Each of the components  $GI_{it}$ ,  $GP_{it}$  and  $GO_{it}$  is to be stated. These terms will be determined in accordance with the distributed generation, innovative funding incentive and registered power zone rigs and only the output is recorded here. Furthermore the value for  $IG_{it}$  derived in table 2 should agree with the  $IG_{it}$  value in table 1. Each of these terms is subsequently derived in the relevant tables 2a to 2c and where table 2b (1) is additional disclosure relating to  $gp_j$  term.
- 6.41. Table 3 refers to the derivation of  $RPZ_{it}$ . Each of the component terms  $PIAG_{it}$ ,  $giz_{it}$  and  $gcz_{it}$  should be disclosed. Furthermore the value derived for  $RPZ_{it}$  in table 3 should agree with the value in disclosed in table 1. As with table 2 these terms will be determined in accordance with the distributed generation, innovative funding incentive and registered power zone rigs and only the output is recorded here.
- 6.42. Table 4 refers to the derivation of the generation correction factor ( $KG_{it}$ ). Each of the component terms  $AG_{t-1}$ ,  $RG_{t-1}$ ,  $I_{it}$  and  $PR_{it}$  should be disclosed. Furthermore the value derived for  $KG_{it}$  in table 4 should agree with the value in disclosed in table 1.
- 6.43. All terms should be stated as follows:
- All £million (£m) items should be stated within 2 decimal places (eg £3.56m)
  - All £ items should be stated to 2 decimal places

- Capacity should be stated to the nearest MW
- All percentages should be stated to 2 decimal places

#### **Section 4 (A):- Metering Revenue: Meter Asset Provision (Tables 1 to 3)**

- 6.44. Section 4 (A) is concerned with the revenue associated with meter asset provision (MAP). Table 1 is summary information requiring the revenue associated with each of the meters (SRCM<sub>t</sub>, TPPM<sub>t</sub>, KPPM<sub>t</sub>, SPPM<sub>t</sub> and MAPPCC<sub>t</sub>) to derive the total revenue associated with MAP.
- 6.45. Tables 2a to 2e refer to the derivation of the maximum charge for each meter. These are listed below:
- |          |  |
|----------|--|
| Table 2a | refers to single rate credit meters (SRCM <sub>t</sub> ) and disclosure of each of the component terms associated with its derivation is required    |
| Table 2b | refers to token pre-payment meters (TPPM <sub>t</sub> ), and disclosure of each of the component terms associated with its derivation is required    |
| Table 2c | refers to key pre-payment meters (KPPM <sub>t</sub> ) and disclosure of each of the component terms associated with its derivation is required       |
| Table 2d | refers to smartcard pre-payment meters (SPPM <sub>t</sub> ) and disclosure of each of the component terms associated with its derivation is required |
| Table 2e | refers to other meters (MAPPCC <sub>t</sub> ) and disclosure of each of the component terms associated with its derivation is required               |
- 6.46. Table 3a to 3e refer to the actual charge. The licensee can vary the charge within the metering asset caps but cannot exceed those caps. For example if the SCRM maximum charge in specific regulatory year was £1.14 the DNO could charge £1.05 for one group of SRCM and £1.08 for another group of SRCM but could not under the license exceed £1.14. If the DNO does vary the charge then they are required to disclose the actual charge (taken from the metering statement) for each type of meter within the asset class and the number of

meters. Using the excerpt from the template in Appendix 1, table 3a, this is demonstrated below

1	SRCM	Single Rate Credit		
	Type	Charge	No of meters	Revenue
	1	1.08	5,356	5.78
	2	1.05	4,258	4.47
	3	1.04	4,569	4.75
		Total	14,183	15.01

6.47. In disclosing the actual charge per meter and the number of meters for each type within the asset class the DNO can increase the number of rows within the template as needed to ensure all the information is complete. Furthermore the total revenue in each of the tables 3a to 3d should agree back to the each of the values disclosed in table 1.

**Section 4(B): Metering Revenue: Metering Operating Revenue (MOP<sub>t</sub>) (Tables 4 to7)**

6.48. Section 4(B) is concerned with the revenue associated meter operating revenue (MOP<sub>t</sub>). Table 4 is the derivation of MOP<sub>t</sub> and requires the disclosure of MOPR<sub>t</sub> and RMA<sub>t</sub>.

6.49. Table 5 refers to the derivation of MOPR<sub>t</sub>. The licensee is required to disclose the value of MRV<sub>t</sub>, given in Annex A of special condition F1, and the value of inflation (PIT<sub>t</sub>).

6.50. Table 6 requires the disclosure of each of the component terms for RMA<sub>t</sub> – single phase chargeable activities (SCA<sub>t</sub>), poly-phase chargeable activities (PCA<sub>t</sub>) and CT metering chargeable activities (CTCA<sub>t</sub>). The value disclosed as the reduction in revenue (RMA<sub>t</sub>) should agree with RMA<sub>t</sub> given in table 4.

6.51. Tables 7a to 7c refer to the derivation of each of the component terms given in table 6. These are listed below:

Table 7a refers to the derivation of single phase chargeable activities (SCA<sub>t</sub>) and each of the associated terms

Table 7b refers to the derivation of poly-phase chargeable activities (PCA<sub>t</sub>) and each of the associated terms

Table 7c refers to the derivation of CT metering chargeable activities (CTCA<sub>t</sub>) and each of the associated terms

6.52. All terms in sections 4 (A) and 4 (B) should be reported as follows:

- All £million (£m) terms to within 2 decimal places
- All £ terms to with 2 decimal places (eg £16.24)
- All activities in integer form (eg 4,506 activities)
- All percentages to within 2 decimal places

### **Section 5: Excluded Services, Revenue Outside the Price Control and De – Minimis activities**

6.53. Tables 1 to 13 refer to Excluded services. Table 1 is summary information for excluded services and requires the licensee to disclose each of the values associated with special condition A2 (ES1 to ES10). Furthermore table 1b requires the licensee to disclose the number of units of electricity distributed associated with the ES1 activity.

6.54. Tables 2-3 and 5-11 are commentary sections. If the value associated with ES1 to ES10 is less than £0.1m then the relevant commentary section ***only*** need not be completed

6.55. Tables 4 requires a breakdown of connection charge receipts (ES2). The licensee should list projects where receipts are £0.5m.

6.56. Table 12 requires a breakdown of other excluded services (ES12) and table 13 requires a breakdown of other metering services (ES13). In both tables the licensee should list all items in excess of £0.1m. If items below this threshold are aggregated the licensee should list all constituent parts.

6.57. All terms should be reported as follows:

- All monetary values should be disclosed to 2 decimal places



- All information relating to units distributed should be disclosed to the nearest GWh.

### Section 6: Charging

- 6.58. Section 6 relates to charging and tariffs. Licensee's are asked to identify the use of system charges which contribute an amount greater than £1 million to turnover for demand and £100,000 for generation. The licensee should subsequently list them in the "Use of System" column.
- 6.59. The charges should then be analysed into their relevant components such as fixed standing charge, annual unit charge and reactive power charge, etc in the component column. For each component the unit charge should be disclosed in the adjacent "Unit Charge" column.
- 6.60. The Revenue column identifies the revenue that each component contributes to the total revenue associated with that use of system charge.
- 6.61. An example of this is given below (taken from table1)

Table 1: Demand			
Use of system charge	Component (see note below)	Charge (£)	Revenue (£m)
Use of system charge #1	Reactive Power	1.53	1.98
	Unit charge	0.27	10.51
	Standing element	1.01	4.52
Use of system charge #2	Unit charge	1.01	11.53
	Fixed MPAN	0.98	5.39
Total			33.93

- 6.62. In completing this section the licensee is required to use appropriate formatting to ensure that components can readily be identified to the relevant use of system charge. Furthermore when completing this section the licensee should add as many rows as necessary to ensure all information is complete
- 6.63. All terms should be reported as follows:

- All £millions (£m) items to within 2 decimal places (eg £25.96m)
- All £ items to within 2 decimal places (eg £2.56)

### **Section 7: Reconciliation to Regulatory Accounts**

- 6.64. Section 7 contains supplementary information to reconcile the actual turnover as recorded in the detailed return to the Turnover of the Profit and Loss account of the Regulatory Accounting Statements.
- 6.65. If the DNO's reconciliation contains adjustments other than those provided for in the schedule then it will be required to list them in the "Other Adjustments" item. Furthermore it will be required to explain them, stating what they relate to, in the commentary space provided below.
- 6.66. All items in this section should be reported to 2 decimal places

### **Section 8: Additional disclosure requirements relating to quality of supply**

- 6.67. Section 8 is additional disclosure of terms from the quality of supply incentive scheme
- 6.68. For all licensee's, except Scottish Hydro Electric Distribution, the value of  $SWPD_t$ ,  $SWPM_t$ ,  $NCPD_t$  and  $NCPM_t$  should be given to the nearest pound (e.g. £2,445). Licensee's should also provide a commentary for these items in the relevant table below.
- 6.69. For Scottish Hydro Electric Distribution the value associated with  $SWPD_t$ ,  $SWPM_t$ ,  $NCPD_t$ ,  $NCPM_t$ ,  $HIPD_t$  and  $HIPM_t$  should be given to the nearest pound. Scottish Hydro Electricity should also provide a commentary for these items in the relevant table below.
- 6.70. In completing these items all licensee's have the option of using a spreadsheet model (the "severe weather payment spreadsheet") prepared in accordance with the Special condition C2 (calculation of charge restriction adjustments arising from performance in respect of quality of service) (see chapter 4)
- 6.71. However, if the Licensee chooses, it may complete the disclosure of these terms using their own systems. If they chose to do this then they will have to submit

their own schedules used in calculating each of the terms given above. These schedules should be of an appropriate format which clearly shows the derivation of the relevant terms.

**Section 9: Miscellaneous Pass through: Additional disclosure relating to MPA<sub>t</sub>**

- 6.72. Section 9 refers to additional disclosure requirements for balancing and settlement costs (MPA<sub>t</sub>). This section should only be completed by Scottish Hydro Electric Distribution and Scottish Power Distribution.
- 6.73. Table 1 requires each of the component terms (SRS<sub>t</sub> and SA<sub>t</sub>) used in the derivation of MPA<sub>t</sub> to be disclosed
- 6.74. Table 2 refers to the derivation of settlement costs (SRS<sub>t</sub>) and requires the disclosure of unrecovered settlement costs (1998costs), ongoing expenditure (SOC) and inflation (PIAS<sub>t</sub>). The value given for SRS<sub>t</sub> in table 2 should correspond to the value given in table 1
- 6.75. Table 3 refers to the derivation of Shetland balancing costs (SA<sub>t</sub>) and should only be completed by Scottish Hydro Electric Distribution. It requires the disclosure of each of the component terms – TPC<sub>t</sub>, LPSF<sub>t</sub>, LPSC<sub>t</sub>, LPSA, EP<sub>t</sub>, SH<sub>t</sub>, SHB<sub>t</sub>, SHB<sub>t</sub>, SHA and PIAH<sub>t</sub>. The value given in table 3 for SA<sub>t</sub> should equate to the value given in table 1.
- 6.76. All terms reported in section 8 should be stated as follows:
- All monetary items to within 2 decimal places
  - All percentages to within 2 decimal places

## ***Information requirements for Template B: The forecast return***

6.77. The forecast return is set out as follows:

<u>Table</u>	<u>Items for disclosure</u>
1 – Basic Summary information	Inflation (RPI <sub>t</sub> ) , interest (I <sub>t</sub> ) and Customer numbers (C <sub>t</sub> )
1b – Units distributed: Demand	EHV, HV, LV1, LV2 and LV3
1c – Generation capacity	Total DG Capacity
1d – Basic output information	Allowed demand (AD <sub>t</sub> ), over or under recovery for demand, Allowed generation (AG <sub>t</sub> ), over or under recovery for generation, MAP, MOP <sub>t</sub> , total Excluded services, total revenue outside the price control, total de minimis revenue
2a – Losses after 1.4.2005	Target losses (AL <sub>t</sub> ) , Actual losses (L <sub>t</sub> ) , Net losses, the incentive derived
2b Losses before 1.4.2005	Target losses (AL <sub>t</sub> ), Allowed loss percentage (ALP <sub>t</sub> ), the incentive derived

### Table

### Items for disclosure

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3 Demand revenue	Base revenue ( $BR_t$ ), Pass through ( $PT_t$ ), Incentive payments ( $IP_t$ ), the correction factor ( $KD_t$ ), and regulated demand revenue ( $RD_t$ )
4 Generation revenue	Regulated generation revenue ( $RG_t$ ), incentivised generation revenue ( $IG_t$ ), Registered Powers zones ( $RPZ_t$ ) and the generation correction factor ( $KG_t$ )
5. Revenue outside the price control	Transmission Exit charges (LV1, LV2, LV3 and HV), other transmission exit charges, wheeled units and out of area networks

6.78. All items reported in the forecast return should be stated as follows:

- All monetary values to 2 decimal places
- All units of electricity to the nearest GWh
- Total DG capacity to the nearest MW
- All percentages to 2 decimal places

# Appendix 1 Templates

## Template A – Detailed Return: Input Sheets

Input sheets - Demand, Generation, Excluded Services, Revenue Outside the price control and De minimis activities		Units	2005/06	2006/07	2007/08	2008/09	2009/10
<b>RPI</b>		%					
<b>Interest Rates</b>		%					
<b>Demand</b>							
<i>Customer Numbers</i>		millions					
<i>Units Distributed - voltage level</i>							
EHV		GWh					
HV		GWh					
LV1		GWh					
LV2		GWh					
LV3		GWh					
<i>Incentive Payments - Losses</i>							
Units Entering							
Unmetered units entering system		GWh					
Metered Unit entering		GWh					
Units Exiting System							
Unmetered Units exiting system		GWh					
Metered Units exiting		GWh					
Amounts distributed at shared metered points		GWh					
Incentive Rates applied							
PVL <sub>t</sub> - Units distributed before 1st April 2005		GWh					
<i>Incentive Payments - Quality of Supply</i>							
IQ <sub>t</sub>		£m					
SWPD <sub>t</sub>		£					
SWPM <sub>t</sub>		£					
NCPD <sub>t</sub>		£					
NCPM <sub>t</sub>		£					
HIPD <sub>t</sub>		£					
(SHE only)							
HIPM <sub>t</sub>		£					
(SHE only)							
<i>Incentive Payments - IFI</i>							
IFIE <sub>t</sub>		£m					
CBR <sub>t</sub>		£m					
IFIIE <sub>t</sub>		£m					
<i>Pass through items</i>							
LP <sub>t</sub>		£m					
RP <sub>t</sub>		£m					
MPT <sub>t</sub>		£m					
UNC <sub>t</sub>		£m					
Hydro Benefit <sub>t</sub>		£m					
SHE only							
TPC <sub>t</sub>		£m					
LPSF <sub>t</sub>		£m					
EP <sub>t</sub>		£m					
SH <sub>t</sub>		£m					

**Input sheets for Demand, generation, excluded services, revenue outside of the price control and de minimis activities (continued)**

<u>Correction Factor</u>		Units	2005/06	2006/07	2007/08	2008/09	2009/10
Regulated Demand Revenue (RD <sub>t</sub> )		£m					
<b>Generation</b>							
<u>Incentive Revenue</u>							
gc <sub>t</sub> (connected DG Capacity)		MW					
gt <sub>j</sub>		£m					
gps <sub>j</sub>		£m					
gpc <sub>j</sub>		£m					
gcz <sub>t</sub>		£m					
<u>Correction Factor</u>							
Regulated Generation Revenue (RG <sub>t</sub> )		£m					
<b>Revenue Outside the Price Control</b>							
NGC Exit Charges		£m					
Other NGC Exit charges		£m					
Wheeled Units		£m					
Out of Area Networks		£m					
<b>Excluded Services</b>							
		<b>Generic Name</b>					
ES1	EHV	£m					
ES2	Connections	£m					
ES3	Revenue Protection	£m					
ES4	Charging Statement	£m					
ES5	Non Trading Rechargeables	£m					
ES6	Non Trading Rechargeables	£m					
ES7 A	Top Up and Standby	£m					
ES7 B	Security	£m					
ES8	Reactive Power Charges	£m					
<u>Other Excluded Services (ES9)</u> (Please Add)							
Other Excluded Service -1		£m					
Other Excluded Service - 2		£m					
		£m					
<u>Other Metering (ES10)</u> (Please Add)							
Other metering -1		£m					
Other metering - 2		£m					
		£m					
<b>De minimis</b> (Please add)							
Activity -1		£m					
Activity - 2		£m					
		£m					

## Input Sheets - Losses

No	Site	2005/06		2006/07		2007/08		2008/09		2009/10	
		LAG <i>(should not exceed 0.997)</i>	DGV GWh	LAG <i>(should not exceed 0.997)</i>	DGV GWh	LAG <i>(should not exceed 0.997)</i>	DGV GWh	LAG <i>(should not exceed 0.997)</i>	DGV GWh	LAG <i>(should not exceed 0.997)</i>	DGV GWh
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											



**Input Sheets - Metering**

**Meter Asset Provision**

**SRCM**

Actual charge	<i>please add</i>											
		2005/06		2006/07		2007/08		2008/09		2009/10		
	Type	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	
	1											
	2											
	3											

**TPPM**

Units	2005/06	2006/07	2007/08	2008/09	2009/10
LRTPPM <sub>t</sub>					
Yrs					

Actual charge	<i>please add</i>											
		2005/06		2006/07		2007/08		2008/09		2009/10		
	Type	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	
	1											
	2											
	3											

**KPPM**

Units	2005/06	2006/07	2007/08	2008/09	2009/10
LRKPPM <sub>t</sub>					

Actual charge	<i>please add</i>											
		2005/06		2006/07		2007/08		2008/09		2009/10		
	Type	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	
	1											
	2											
	3											

**SPPM**

Units	2005/06	2006/07	2007/08	2008/09	2009/10
LRSPPM <sub>t</sub>					

Actual charge	<i>please add</i>											
		2005/06		2006/07		2007/08		2008/09		2009/10		
	Type	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	
	1											
	2											
	3											

**MAPPC**

Units	2005/06	2006/07	2007/08	2008/09	2009/10
MEAP <sub>t</sub>					
ELA <sub>t</sub>					

Actual charge	<i>please add</i>											
		2005/06		2006/07		2007/08		2008/09		2009/10		
	Type	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	Charge	No of meters	
	1											
	2											
	3											

**Meter Asset Operation**

Units	2005/06	2006/07	2007/08	2008/09	2009/10
SPCA <sub>t</sub>	Activities				
PPCA <sub>t</sub>	Activities				
CCA <sub>t</sub>	Activities				

**Other Metering**

(Please Add)	2005/06	2006/07	2007/08	2008/09	2009/10
Other metering - 1	£m				
Other metering - 2	£m				
	£m				

## Template A - Detailed Return: Price Control Report

- 1.1 The price control report contains the following input sheets: all commentary sections, section 6 (Tariffs) and section 8 reconciliation of actual turnover to the regulatory accounts. All other sections can be run as an output sheet from the allowed revenue model

<b>Distribution Company:</b>					
<b>Regulatory Period:</b>					
<b>SECTION 1: SUMMARY</b>					
<b>Table 1 - Summary</b>					
<b>Reference</b>	<b>Notation</b>	<b>Revenue Stream</b>	<b>Reference</b>	<b>Year £m</b>	<b>Comparative £m</b>
1	$AD_t$	Allowed Demand Revenue	<i>Section 2</i>		
2	$AG_t$	Allowed Network Generation Revenue	<i>Section 3</i>		
3	$MAP_t$	Metering Asset Provision	<i>Section 4(a)</i>		
4	$MOP_t$	Meter Asset Operation	<i>Section 4(b)</i>		
5		<b>Total Allowable Revenue</b>			

Distribution Company:

Regulatory Period:

**SECTION 2: ALLOWED DEMAND REVENUE**

**Table 1: Derivation of Allowable Demand Revenue**

**Formula**  $AD_t = BR_t + PT_t + IP_t - KD_t$

	Notation	Revenue Item	Reference	Year £m	Comparative £m
1	BR <sub>t</sub>	Base Revenue	Table 2a		
2	PT <sub>t</sub>	Pass Through	Table 3a		
3	IP <sub>t</sub>	Incentive Payments	Table 4a		
4	KD <sub>t</sub>	Correction Factor	Table 5		
5	AD <sub>t</sub>	<b>Total Allowable Demand Revenue</b>			
6	RD <sub>t</sub>	Regulated Demand Revenue			
7		Over/(under) Recovery			

**Base Revenue**

Tables 2a to 2e refer to the derivation of BR<sub>t</sub>

**Table 2a: Summary Information for Base Revenue**

**Formula**  $BR_t = (PU \times GR_t + PE) \times PIAD_t - MG_t$

	Notation	Item	Reference	Units	Year	Comparative
1	GR <sub>t</sub>	Growth term in current year	Table 2b			
2	PU.GR <sub>t</sub>	Adjusted Base Revenue	Table 2c	£m		
3	PE	EHV Revenue		£m		
4	PIAD <sub>t</sub>	RPI-X term	Table 2d	£m		
5	MG <sub>t</sub>	Merger Adjustment	Table 2e	£m		
6	BR <sub>t</sub>	<b>Base Revenue</b>	Table 1	£m		

**Table 2b Derivation of GR<sub>t</sub>**

**Formula**  $GR_t = 0.5 \times \left( \frac{\sum P_{0i} \times D_{it}}{\sum P_{0i} \times D_{it-1}} + \frac{C_t}{C_{t-1}} \right) \times GR_{t-1}$

Reference	Notation	Item	Units	Year	Comparative
1	$\frac{\sum P_{0i} \times D_{it}}{\sum P_{0i} \times D_{it-1}}$	Weighted Average of Unit categories and units distributed	%		
3	C <sub>t</sub>	Customer Numbers	millions		
4	C <sub>t-1</sub>	Previous years customer numbers	millions		
5	GR <sub>t-1</sub>	Previous year Growth term	%		
6	GR <sub>t</sub>	<b>Growth Term</b>	%		

Table 2c Derivation of PU x GR t						
Formula $PU \times GR_t$						
Reference	Notation	Item	Units	Year	Comparative	
1	PU	Annex A of special condition B1	£m			
2	GR <sub>t</sub>	Growth term as per table 2b above	%			
3	PU x GR <sub>t</sub>		£m			
Table 2d - Derivation of PIAD t						
Formula $PIAD_t = \left(1 + \frac{RPI_t - X}{100}\right) \times PIAD_{t-1}$						
Reference	Notation	Item	Units	Year	Comparative	
1	X	Annual Reduction	%			
2	RPI <sub>t</sub>	Retail Price Index	%			
3	PIAD <sub>t-1</sub>	Previous year	%			
4	PIAD <sub>t</sub>	Adjustment	%			
Table 2e Derivation of MGt term						
Formula $MG_t = MR_t \times PIAM_t$						
Reference	Notation	Item	Units	Year	Comparative	
1	MR <sub>t</sub>	Annual Reduction	%			
2	PIAM <sub>t</sub>	Retail Price Index	%			
3	PIAM <sub>t-1</sub>	Previous year	%			
4	MG <sub>t</sub>	Adjustment	%			
Pass Through Items						
Tables 3a to 3d refer to the derivation of pass through items						
Table 3a: Summary Information for Pass through items						
Formula $PT_t = LF_t + RB_t - HB_t + MPT_t + UNC_t$						
Reference	Notation	Revenue Item	Reference	Units	Year	Comparative
1	LF <sub>t</sub>	Licence Fee	Table 3b	£m		
2	RB <sub>t</sub>	Business Rates	Table 3c	£m		
3	HB <sub>t</sub>	Network Subsidy	-	£m		
4	MPT <sub>t</sub>	Miscellaneous	Table 3d	£m		
5	UNC <sub>t</sub>	Uncertain Costs	-	£m		
	PT <sub>t</sub>	<b>Total Pass through</b>	Table 1	£m		
Table 3b - Licence Fees						
Formula $LF_t = LP_t - LA_t$						
Reference	Notation	Item	Reference	Units	Year	Comparative
1	LP <sub>t</sub>	Payments	-	£m		
2	LA <sub>t</sub>	Allowance Nominal	-	£m		
3	PF <sub>t</sub>	Allowance Real	Annex A of Special Condition B2	£m		
4	PIF <sub>t</sub>	Inflation	-	%		
5	LF <sub>t</sub>	Allowance for Licence Fees	-	£m		

Table 3c - Business Rates						
Formula $RB_t = RP_t - RA_t$						
Reference	Notation	Item	Reference	Units	Year	Comparative
1	$RP_t$	Rates Payable	-	£m		
2	$RA_t$	Rates Allowed Nominal	-	£m		
3	$RV_t$	Rates Allowed Real	Annex B of Special Condition B2	£m		
4	$PIAB_t$	Inflation	-	%		
5	$RB_t$	Allowance for Business Rates	-	£m		
Table 3d - Miscellaneous Pass through						
Formula $MPT_t = MPC_t + MPA_t$						
Reference	Notation	Item	Reference	Units	Year	Comparative
1	$MPA_t$	Pass through adjustments	Section 9	£m		
2	$MPC_t$	Other allowable costs	-	£m		
3	$MPT_t$	Total Miscellaneous Pass Through	=1+2	£m		
Incentive Payments						
Tables 4a to 4d refer to Incentive Payments						
Table 4a: Summary Information for Incentive Payments						
Formula $IP_t = IL_t + IQ_t + IFI_t$						
Reference	Notation	Revenue Item	Reference	Year	Comparative	
				£m	£m	
1	$IL_t$	Losses Incentive	See Note below			
2	$IQ_t$	Quality of Supply Incentive	See Note below			
3	$IFI_t$	Innovative funding incentive	See Note below			
4	$IP_t$	Incentive Payments				
Notes						
1	Additional disclosure relating to the losses incentive is given tables 4b to 4d below					
2	$IQ_t$ is determined by incentive arrangements with the QoS. Only the output is disclosed here					
3	$IFI_t$ is determined by incentive arrangements with Technical monitoring. Only the output is recorded					
Table 4b - $IFI_t$						
Formula $IFI_t = ptr_t \times (\min(IFIE_t, ((0.005 \times CBR_t) + KIFI_t)))$						
Reference	Notation	Revenue Item	Reference	Year	Comparative	
				£m	£m	
1	$ptr_t$	pass through factor				
2	$IFIE_t$	Expenditure				
3	$CBR_t$	combined distribution network revenue				
4	$KIFI_t$	Carry forward				
5	$IFIIE_t$	Eligible internal expenditure				
6	$IFI_t$	Total Innovation Funding	Table 4a			

Reference	Notation	Item	Reference	Units	Year	Comparative
1		Post 1.4.2005	Table 4c			
2		Pre 1.4.2005	Table 4d			
3	IL <sub>t</sub>	Total losses incentive	Table 4a			

**Table 4d Losses Incentive - Post 1.4.2005**

Reference	Notation	Item	Reference	Units	Year	Comparative
1	AL <sub>t</sub>	Target Losses		GWh		
2	ALP	Allowed Loss Percentage	Special Condition C1, Annex A	%		
2	L <sub>t</sub>	Actual Losses	Section 2a	GWh		
3		Net Losses	=1-2	GWh		
4	LR <sub>t</sub>	Incentive Rate		£		
5	PIAL <sub>t</sub>	Inflation		%		
6		Losses Incentive (post) 1.4.2005		£m		

**Table 4e Losses Incentive - Pre 1.4.2005**

Reference	Notation	Item	Reference	Units	Year	Comparative
1	PLR <sub>t</sub>	Previous Incentive Rate	Special Condition C1	£		
2	PIAL <sub>t</sub>	Adjustment for inflation		%		
3	ALP	Allowed loss percentage	Special Condition C1, Annex A	%		
4	PVL <sub>t</sub>	Units distributed before 1.4.2005		GWh		
5		Losses Incentive (pre) 1.4.2005	Table 4b	£m		

**Correction Factor**

Tables 5a and 5b refer to the correction factor

**Table 5: Derivation of correction Factor**

Reference	Notation	Item	Reference	Units	Year	Comparative
1	AD <sub>t-1</sub>	Previous yr. Allowed Revenue		£m		
2	RD <sub>t-1</sub>	Previous year Regulated Demand Revenue		£m		
3	I <sub>t</sub>	Interest		%		
4	PR <sub>t</sub>	Penalty Rate		%		
5	KD <sub>t</sub>	Correction Factor	Table 1 above	£m		

<b>Table 5a Correction Factor for 2005/06 only</b>						
Formula for allowed demand revenue $AD_{t-1} = M_{dt-1} \times D_{t-1}$						
Reference	Notation	Item	Reference	Units	Year	Comparative
1	$M_{dt-1}$	Max Ave charge in 2004/05		£/GWh		
2	$D_{t-1}$	Units Distributed 2004/05		GWh		
3	$AD_{t-1}$	Allowed Revenue 2004/05		£m		
4	$RD_{t-1}$	Regulated Revenue 2004/05		£m		
5	$KD_t$	Correction factor 05/06	<i>Table 1 above</i>	£m		

**Distribution Company:**

**Regulatory Period:**

**SECTION 2 (a): Losses**

Table 1	Disclosure of Units Lost		
	Adjusted Units Entering system <i>(Table 2 below)</i>	GWh	
	Adjusted Units Exiting system <i>(Table 3 below)</i>	GWh	
	Lost Units (Lt) <i>(Section 2, Table 4c)</i>	GWh	<u>          </u> <u>          </u>

  

Table 2	Derivation of Units Entering		
	Metered Units Entering System	GWh	
	Unmetered Units Entering System	GWh	
	DGA Adjustment <i>(Section 2b)</i>	GWh	
	Adjusted Units Entering system	GWh	<u>          </u> <u>          </u>

  

Table 3	Derivation of Units Exiting System		
	Metered Units Entering System	GWh	
	Unmetered Units Entering System	GWh	
	Less Amounts distributed before 1.4.2005 <i>(should agree to value disclosed in Section 2, table4d)</i>	GWh	
	Less Amounts distributed as shared metered points <i>(SHE only)</i>	GWh	
	Adjusting Units Exiting system	GWh	<u>          </u> <u>          </u>



**Distribution Company:**

**Regulatory Period:**

**SECTION 2 (b): Derivation of DGA**

*(please add rows as necessary)*

No	Site	LAG <i>(should not exceed 0.997)</i>	DGV GWh	DGA GWh
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Total DGA \_\_\_\_\_

<b>Distribution Company:</b>					
<b>Regulatory Period:</b>					
<b>SECTION 3: ALLOWABLE GENERATION REVENUE</b>					
<b>Table 1: Derivation of Allowable Generation Revenue</b>					
Formula $AG_t = IG_t + RPZ_t - KG_t$					
Reference	Notation	Revenue Item	Reference	Year £m	Comparative £m
1	$IG_t$	Generation Revenue	Table 2		
2	$RPZ_t$	Regional Power Zone	Table 3		
3	$KG_t$	Generation Correction Factor	Table 4		
4	$AG_t$	<b>Total Allowable Generation Revenue</b>			
5	$RG_t$	Actual Revenue			
6		Over/(under) Recovery			
<b>Table 2 - Disclosure of Generation Revenue</b>					
Formula $IG_t = GI_t + GP_t + GO_t$					
Reference	Notation	Revenue Item	Reference	Year £m	Comparative £m
1	$GI_t$	Incentive Revenue	Table 2a		
2	$GP_t$	Pass through Revenue	Table 2b		
3	$GO_t$	Operation and Maintenance	Table 2c		
4	$IG_t$	<b>Total Generation Revenue</b>			
<b>Table 2a - <math>GI_t</math></b>					
Formula $GI_t = PIAG_t \times gir \times gc_t$					
Reference	Notation	Item	Reference	Year £m	Comparative £m
1		Inflation			
2	gir	Incentive Rate			
3	$gc_t$	Incentivised Capacity			
4	$GI_t$	Operation and Maintenance	Table 2		
<b>Table 2b - <math>GP_t</math></b>					
Formula $GP_t = PIAG_t \times \sum_{j=\max(y,t-P)}^{t-1} \left[ \frac{I}{PIAG_j} \times \left( \frac{r}{1 - \frac{I}{(1+r)^P}} \right) \times (gp_j - gt_j) \right]$					
Reference	Notation	Revenue Item	Reference	Year £m	Comparative £m
1	$PIAG_t$	Inflation			
2	r	pre-tax cost of capital			
3	P	number of complete relevant years			
4	$gp_j$	Use of system Capex	Table 2a (1)		
5	$gt_j$	Transfer Capex			
6	$GP_t$	Pass through revenue	Table 2		

<b>Table 2 b (1) - gp<sub>j</sub></b>						
Formula $gp_j = ptrg \times (gps_j + gpc_j) - gpc_j$						
Reference	Notation	Item	Reference	Year £m	Comparative £m	
1	ptrg	Pass through rate				
2	gps <sub>j</sub>	use of system capex				
3	gpc <sub>j</sub>	shared connection capex				
4	gp <sub>j</sub>	total use of system capex	Table 2a			
<b>Table 2c- GO<sub>t</sub></b>						
Formula $GO_t = PIAG_t \times gor \times gc_t$						
Reference	Notation	Revenue Item	Reference	Year £m	Comparative £m	
1	PIAG <sub>t</sub>	Inflation				
2	gor	O & M rate				
3	gpc <sub>j</sub>	shared connection capex				
4	GO <sub>t</sub>	Operation and Maintenance	Table 2			
<b>Table 3 - Derivation of Registered Power Zones</b>						
Formula $RPZ_t = PIAG_t \times \min(RPZM, giz \times gcz_t)$						
Reference	Notation	Revenue Item	Units	Year £m	Comparative £m	
1	PIAG <sub>t</sub>	Inflation	%			
2	RPZM <sub>t</sub>	Cap on RPZ	£m			
3	giz	incremental incentive rate	£			
4	gcz <sub>t</sub>	DG Capacity	MW			
5	RPZ <sub>t</sub>	Total Registered power zone revenue	£m			
<i>Note</i> These terms have been prepared in accordance with the relevant reporting arrangements Only the output is disclosed here						
<b>Table 4 Derivation of Generation Correction Factor</b>						
Formula $KG_t = (RG_{t-1} - AG_{t-1}) \times \left[ 1 + \frac{(I_t + PR_t)}{100} \right]$						
Reference	Notation	Item	Reference	Units	Year	Comparative
1	AG <sub>t-1</sub>	Allowed Revenue		£m		
2	RG <sub>t-1</sub>	Actual Revenue		£m		
3	I <sub>t</sub>	Interest		%		
4	PR <sub>t</sub>	Penalty Rate		%		

Distribution Company:

Regulatory Period:

**SECTION 4 (A) Metering Revenue - Metering Asset Provision**

Tables 1 to 3 Refer to Meter Asset Provision

Reference	Notation	Item	Units	Total Revenue Year	Total Revenue Comparative
1	SRCM <sub>t</sub>	Single Rate Credit	£m		
2	STPPM <sub>t</sub>	Token Pre-payments	£m		
3	SKPPM <sub>t</sub>	Key Pre-payments	£m		
4	SSPPM <sub>t</sub>	Smartcard Pre-payments	£m		
5	MAPPC <sub>t</sub>	Other Meters	£m		
6	MAP	Meter Assets Provision	£m		

Table 2a -2e Derivation of Maximum Charge Meter Asset Provision Items

2a SRCM<sub>t</sub> Single Rate Credit

**Formula**  $SRCM_t = £1.12 \times PIT_t$

Item	Units	Value
Fixed Value	£	1.11
PIT <sub>t</sub>	%	
SRCM <sub>t</sub>	£	

2b TPPM<sub>t</sub> Token Pre-payments

**Formula**  $1 \text{ TPPM}_t = \left( \left[ \left( \frac{TPPMAV}{LT_t} \right) \times \left[ 1 + \left[ (1 + LTW_t) \times \left( \frac{6.9}{100} - \frac{6.9}{200} \times \frac{LTW_t}{LT_t} \right) \right] \right] + £0.242 \right) \times PIT_t$   
 $2 \text{ LT}_t = 9.72 - LRTPPM_t$

Item	Units	Value
TPPMAV	£	
LTW <sub>t</sub>	£	
LT <sub>t</sub>	yrs	
LRTPPM <sub>t</sub>	yrs	
PIT <sub>t</sub>	%	
TPPM <sub>t</sub>	£	

2c KPPM<sub>t</sub> Key Pre-payments

**Formula**  $1 \text{ KPPM}_t = \left( \left[ \left( \frac{KPPMAV}{LK_t} \right) \times \left[ 1 + \left[ (1 + LKW_t) \times \left( \frac{6.9}{100} - \frac{6.9}{200} \times \frac{LKW_t}{LK_t} \right) \right] \right] + £0.242 \right) \times PIT_t$   
 $2 \text{ LK}_t = 9.34 - LRKPPM_t$

Item	Units	Value
KPPMAV	£	
LTW <sub>t</sub>	£	
LT <sub>t</sub>	yrs	
LRKPPM <sub>t</sub>	yrs	
PIT <sub>t</sub>	%	
KPPM <sub>t</sub>	£	

**2d SPPM<sub>t</sub> Smartcard Pre-payments**

**Formula**

$$1 \text{ SPPM}_t = \left[ \left( \left( \frac{\text{SPPMAV}}{\text{LS}_t} \right) \times \left[ 1 + \left[ (1 + \text{LSW}_t) \times \left( \frac{6.9}{100} - \frac{6.9}{200} \times \frac{\text{LSW}_t}{\text{LS}_t} \right) \right] \right] \right) + 0.242 \right] \times \text{PIT}_t$$

$$2 \text{ LS}_t = 7.00 - \text{LRSPPM}_t$$

Item	Units	Value
SPPMAV	£	
LTW <sub>t</sub>	£	
LT <sub>t</sub>	yrs	
LRSPPM <sub>t</sub>	yrs	
PIT <sub>t</sub>	%	
SPPM <sub>t</sub>	£	

**2e MAPPC<sub>t</sub> Other Meters**

**Formula**

$$\text{MAPPC}_t = \left[ \frac{\text{MEAP}_t}{\text{ELA}_t} + \text{MEAP}_t \times \frac{6.9}{200} + 0.242 \right] \times \text{PIT}_t$$

Item	Units	Value
MEAP <sub>t</sub>	£	
ELA <sub>t</sub>	yrs	
PIT <sub>t</sub>	%	
MAPPC <sub>t</sub>	£	

**Table 3a to Table 3f Actual charge per type within metering asset class**

For each asset type please add rows as necessary

**3a SRCM Single Rate Credit**

(where the value disclosed in the charge column should not exceed the value derived in table 2a)

Type	Charge	No of meters	Revenue
1			
2			
3			
Total			

(Total should agree to Table 1)

**3b TPPM Token Pre-payments**

(where the value disclosed in the charge column should not exceed the value derived in table 2b)

Type	Charge	No of meters	Revenue
1			
2			
3			
Total			

(Total should agree to Table 1)

**3c KPPM Key Pre-payments**

(where the value disclosed in the charge column should not exceed the value derived in table 2c)

Type	Charge	No of meters	Revenue
1			
2			
3			
Total			

(Total should agree to Table 1)

**3d SPPM Smartcard Pre-payments**

(where the value disclosed in the charge column should not exceed the value derived in table 2d)

Type	Charge	No of meters	Revenue
1			
2			
3			
Total			

(Total should agree to Table 1)

**3e MAPPCC Other Meters**

(where the value disclosed in the charge column should not exceed the value derived in table 2e)

Type	Charge	No of meters	Revenue
1			
2			
3			
Total			

(Total should agree to Table 1)

**SECTION 4 (B) Metering Revenue - Meter Operating Revenue**

Tables 4 to 7 refer to Meter Operating Revenue

**Table 4 - Derivation of Meter Operating Provision (MOp)**

Formula

$$MOP_t = MOPR_t - RMA_t$$

Reference	Notation	Item	Reference	Units	Year	Comparative
1	MOPR <sub>t</sub>	Meter Operating Revenue	Table 5	£m		
2	RMA <sub>t</sub>	Reduction in Revenue	Table 6	£m		
3	MOP <sub>t</sub>	Meter Operating Revenue		£m		

**Table 5a Derivation of MOPR**

Formula

$$MOPR_t = MRV \times PIT_t$$

Reference	Notation	Item	Reference	Units	Year	Comparative
1	MRV <sub>t</sub>	Fixed Value	Annex A	£m		
2	PIT <sub>t</sub>	Inflation		%		
3	MOPR <sub>t</sub>	Meter Operating Revenue	Table 4	£m		

**Table 6 Summary of RMA**

Formula

$$RMA_t = SCA_t + PCA_t + CTCA_t$$

Reference	Notation	Item	Reference	Units	Year	Comparative
1	SCA <sub>t</sub>	Single Phase Meters	Table 7a	£m		
2	PCA <sub>t</sub>	Polyphase Meters	Table 7b	£m		
3	CTCA <sub>t</sub>	CT Metering	Table 7c	£m		
4	RMA <sub>t</sub>	Reduction in Revenue	Table 4	£m		

**Table 7 Derivation of RMA**

Tables 7a to 7c refer to the Derivation of RMA

**7a SCA - Single-Phase chargeable activities**

**Formula**  $SCA_t = (FSCA - SPCA_t) \times (21.37 \times PIT_t)$

Item	Units	Value
FSCA <sub>t</sub>	Activities	
SPCA <sub>t</sub>	Activities	
Charge	£	
PIT <sub>t</sub>	%	
SCA <sub>t</sub>	£m	

(should agree with Table 6)

**7b PCA - Poly-Phase chargeable activities**

**Formula**  $PCA_t = (FPCA - PPCA_t) \times (34.91 \times PIT_t)$

Item	Units	Value
FPCA <sub>t</sub>	Activities	
PPCA <sub>t</sub>	Activities	
Charge	£	
PIT <sub>t</sub>	%	
PCA <sub>t</sub>	£m	

(should agree with Table 6)

**7c CTCA - CT metering chargeable activities**

**Formula**  $CTCA_t = (FCTA - CCA_t) \times (106.67 \times PIT_t)$

Item	Units	Value
FCTA <sub>t</sub>	Activities	
CCA <sub>t</sub>	Activities	
Charge	£	
PIT <sub>t</sub>	%	
CTCA <sub>t</sub>	£m	

(should agree with Table 6)

Distribution Company:

Regulatory Period:

**SECTION 5: Revenue Outside of Price Control and Excluded Service**

**Excluded Services**

Tables 1 to 13 refer to Excluded Services

Table 1: Summary Information for Excluded Services

Reference	Special Licence Ref	Item	A	B	A-B
			Year	Comparative	Variance
			Amount	Amount	Amount
			£m	£m	£m
Table 3	ES1	EHV (after 1st April 2005)			
Table 4	ES2	Connections			
Table 5	ES3	Revenue Protection			
Table 6	ES4	Charging Statements			
Table 7	ES5	Non Trading Rechargeables			
Table 8	ES6	Non Trading Rechargeables			
Table 9	ES7 A	Top Up and Standby			
Table 10	ES7 B	Security			
Table 11	ES8	Reactive Power Charges			
Table 12	ES9	Other Excluded Services			
Table 13	ES10	Other Metering			
<b>Total Excluded Services</b>					

Table 1 (b) : Units distributed EHV

	Special Licence Ref	Item	A	B	A-B
			Year	Comparative	Variance
			Amount	Amount	Amount
			GWh	GWh	GWh
	ES1	EHV (after 1st April 2005)			

Table 2 - General Comments on Excluded Services

Commentary

Table 3- Commentary on EHV Charges and Units Distributed (ES1)

Commentary

Table 4 - Connection Charge Receipts 1 (ES2)

Connection site	Amount
	£m
<b>Total</b>	

Give details of all projects where Connection charge receipts >£0.5m



Table 5 - Commentary on Connection charge receipts (ES2)

<u>Commentary</u>

Table 6- Commentary on Revenue Protection (ES3)

<u>Commentary</u>

Table 7 - Commentary on Charging Statements (ES4).

<u>Commentary</u>

Table 8 - Commentary on Non Trading Rechargeable (ES5 and ES6)

<u>Commentary</u>

Table 9 - Commentary on Top Up and Stand by (ES7A)

<u>Commentary</u>

Table 10- Security (ES7B)

<u>Commentary</u>

Table 11 - Reactive Power Charges (ES8)

<u>Commentary</u>

Table 12 - Other Excluded Services (ES9)			
	A	B	A-B
	Year	Comparative	Variance
Item	Amount	Amount	Amount
	£m	£m	£m
<b>Total</b>			

Specify all revenue items in excess of £0.1m. If items below this threshold are aggregated, please list the constituent parts

Table 13 - Other Metering Services (ES10)			
	A	B	A-B
	Year	Comparative	Variance
Item	Amount	Amount	Amount
	£m	£m	£m
<b>Total</b>			

Specify all revenue items in excess of £0.1m. If items below this threshold are aggregated, please list the constituent parts

**Revenue Outside the Price Control**

Tables 14 to 18 refer to Revenue Outside of the Price Control

**Table 14: Summary Information of Revenue Outside the Price Control**

Reference	Special Licence Ref	Item	A	B	A-B
			Year	Comparative	Variance
			Amount	Amount	Amount
			£m	£m	£m
Table 15		Transmission Exit Charges ( LV1, LV2, LV3, HV )			
Table 16		Other Recovery of Transmission Exit Charges (EHV charges, etc)			
Table 17		Wheeled Units Imported- Pass Through Costs			
Table 18		Out of Area Networks			
<b>Total Revenue Outside of the Price Control</b>					

**Table 15 - Commentary on Transmission Exit Charges**

<u>Commentary</u>

**Table 16- Other Transmission Exit Charges**

<u>Commentary</u>

**Table 17 - Wheeled Units Imported**

<u>Commentary</u>

**Table 18 - Out of Area Networks**

<u>Commentary</u>

**De Minimis Services**

*Tables 19 to 20 refer to De Minimis Services*

**Table 19 - De Minimis Services**

	A Year	B Comparative	A-B Variance
Item	Amount £m	Amount £m	Amount £m
<b>Total</b>			

Specify all revenue items in excess of £0.1m. If items below this threshold are aggregated, please list the constituent parts

**Table 20 - De Minimis Services**

<u>Commentary</u>

**Distribution Company:**

**Regulatory Period:**

**SECTION 6: Charging**

**Table 1: Demand**

Use of system charge	Compenent (see note below)	Charge (£)	Revenue (£m)

Total Revenue           

**Table 2: Generation**

Use of system charge	Compenent (see note below)	Charge (£)	Revenue (£m)

Total Revenue           

**Note**

Please identify the use of charge charge which contributes an amount equal to greater than £1m turnover  
Please split use of system charge into its component parts: fixed MPAN/charge, unit charge or reactive power charge

**Distribution Company:**

**Regulatory Period:**

**Section 7: Reconciliation of Turnover from Regulatory Return to Regulatory Accounts**

		£m	£m
Actual Turnover			
	Regulated Demand	RD <sub>t</sub>	
		x	
	Regulated Generation	RG <sub>t</sub>	
		x	
	Meter Asset Provision	MAP	
		x	
	Meter Asset Operation	MOP	
		<u>x</u>	x
Other Turnover Items			
	Excluded Services	x	
	De-Minimis Turnover	x	
	Revenue outside of the price control	<u>x</u>	x
Other Adjustments (please list)			
Turnover as per Profit and Loss			<u><u>x</u></u>

Commentary

**Distribution Company:**

**Regulatory Period:**

**Section 8: Additional disclosure requirements relating to quality of supply**

	Year	Comparative
SWPD <sub>t</sub>	=====	=====
SWPM <sub>t</sub>	=====	=====
NCPD <sub>t</sub>	=====	=====
NCPM <sub>t</sub>	=====	=====
HIPD <sub>t</sub> (SHE only)	=====	=====
HIPM <sub>t</sub> (SHE only)	=====	=====

**Commentary on SWPD<sub>t</sub> and SWPM<sub>t</sub>**

**Commentary on NCPD<sub>t</sub> and NCPM<sub>t</sub>**

**Commentary on HIPD<sub>t</sub> and HIPM<sub>t</sub>**

<b>Distribution Company:</b>						
<b>Regulatory Period:</b>						
<b>Section 9 - Miscellaneous Pass through: Additional Disclosure Relating to MPA<sub>t</sub></b>						
<b>Table 1 Summary Information for MPA<sub>t</sub></b>						
<b>Formula</b> $MPA_t = SRS_t + SA_t$						
	<b>Notation</b>	<b>Item</b>	<b>Reference</b>	<b>Units</b>	<b>Year</b>	<b>Comparative</b>
1	SRS <sub>t</sub>	Settlement Run off Costs	Table 2	£m		
2	SA <sub>t</sub>	Shetland balancing	Table 3	£m		
3	MPA <sub>t</sub>	<b>Balancing and Settlement</b>	<b>Section 2</b>	<b>£m</b>		
<b>Table 2 Derivation of SRS<sub>t</sub></b>						
<b>Formula</b> $SRS_t = (1998\ costs + SOC) \times PIAS_t$						
<b>Reference</b>	<b>Notation</b>	<b>Item</b>	<b>Reference</b>	<b>Units</b>	<b>Year</b>	<b>Comparative</b>
1	1998costs	Unrecovered settlement costs	Annex C of Special Condition B2	£m		
2	SOC	Ongoing Expenditure	Annex C of Special Condition B2	£m		
3	PIAS <sub>t</sub>	Inflation		%		
4	SRS <sub>t</sub>	<b>Settlement Costs</b>	<b>Table 1</b>	<b>£m</b>		
<b>Table 3 Derivation SA<sub>t</sub></b>						
<b>Formula</b>						
	1	$SA_t = TPC_t + LPSF_t + LPSC_t + EP_t - SH_t - SHB_t$				
	2	$LPSC_t = LPSA \times PIAH_t$				
	3	$SHB_t = SHA \times PIAH_t$				
<b>Reference</b>	<b>Notation</b>	<b>Item</b>	<b>Reference</b>	<b>Units</b>	<b>Year</b>	<b>Comparative</b>
1	TPC <sub>t</sub>	Annual cost of contract		£m		
2	LPSF <sub>t</sub>	Fuel for Lerwick		£m		
3	LPSC <sub>t</sub>	Adjusted CAPEX and OPEX		£m		
4	LPSA	CAPEX and OPEX for LPS	Special Condition B, Annex C, Part(2)	£m		
5	EP <sub>t</sub>	Enviormental permits		£m		
6	SH <sub>t</sub>	Generation on Shetland		£m		
7	SHB <sub>t</sub>	Adjusted allowance for PU and PE		£m		
8	SHA	Allowance for PU and PE		£m		
9	PIAH <sub>t</sub>	Inflation		%		
10	SA <sub>t</sub>	<b>Total Allowance for Shetland balancing costs</b>	<b>Table 1</b>	<b>£m</b>		

## Template B: The forecast Return

Regulatory Period				
Submission date		<input type="text"/>		
<b>Table 1 - Basic Information</b>				
Reference	Notation	Item	Units	Year
1		RPI	%	
2	$I_{dt}$	Interest	%	
3	$C_{dt}$	Customer Numbers	-	
<b>Table 1b - Units Distributed: Demand</b>				
Reference	Notation	Item	Units	Year
1		EHV	<i>GWh</i>	
2		HV	<i>GWh</i>	
3		LV1	<i>GWh</i>	
4		LV2	<i>GWh</i>	
5		LV3	<i>GWh</i>	
<b>Table 1c - Generation Capacity</b>				
Reference	Notation	Item	Units	Year
1		Total DG Capacity	<i>MW</i>	
<b>Table 1d - Basic Output Information</b>				
Reference	Notation	Item	Units	Year
1	$AD_t$	Total Allowable Demand Revenue	<i>£m</i>	
2		Demand Over/(under) Recovery	<i>£m</i>	
3	$AG_t$	Total Allowable Generation Revenue	<i>£m</i>	
4		Generation Over/(under) Recovery	<i>£m</i>	
5	MAP	Metering Asset Provision	<i>£m</i>	
6	MOp	Metering Operation	<i>£m</i>	
7		Excluded Services Income	<i>£m</i>	
8		Revenue Outside of Price Control	<i>£m</i>	
9		De minimis Activities	<i>£m</i>	
<b>Table 2a- Losses Post 1.4.2005</b>				
Reference	Notation	Item	Units	£m
1	$AL_t$	Target Losses	<i>GWh</i>	
2	$L_t$	Actual	<i>GWh</i>	
3		Net Losses	<i>GWh</i>	
4		Incentive	<i>£m</i>	
<b>Table 2b- Losses Pre 1.4.2005</b>				
Reference	Notation	Item	Units	£m
1	$PVL_t$	Units Distributed	<i>GWh</i>	
2	$ALP_t$	Allowed loss Percentage		
3		Incentive	<i>£m</i>	
<b>Table 3 - Demand Revenue</b>				
Reference	Notation	Item	Units	Year £m
1	$RD_t$	Regulated Demand Revenue	<i>£m</i>	
2	$BR_t$	Base Revenue	<i>£m</i>	
3	$PT_t$	Pass Through	<i>£m</i>	
4	$IP_t$	Incentive Payments	<i>£m</i>	
5	$KD_t$	Correction Factor	<i>£m</i>	



<b>Table 4 - Network Generation Revenue</b>				
<b>Reference</b>	<b>Notation</b>	<b>Revenue Item</b>	<b>Units</b>	<b>Year <u>£m</u></b>
1	RG t	Regulated Generation Revenue	<i>£m</i>	
2	IG t	DG Incentive payment	<i>£m</i>	
3	RPZ	Regional Power Zones	<i>£m</i>	
4	KG t	Generation Correction Factor	<i>£m</i>	
<b>Table 5 - Revenue Outside of Price Control</b>				
<b>Reference</b>	<b>Revenue Item</b>		<b>Units</b>	<b>Year <u>£m</u></b>
1	Transmission Exit Charges ( LV1, LV2, LV3, HV )		<i>£m</i>	
2	Other Recovery of Transmission		<i>£m</i>	
3	Wheeled Units Imported- Pass		<i>£m</i>	
4	Out of Area Networks		<i>£m</i>	
5	Total Revenue Outside the Price Control		<i>£m</i>	