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No.	Condition number / RIIO tracking number	Condition name	Page/Paragraph Ref	Comments	Suggested alternative drafting (please use tracked changes wherever possible)
	Major				
		Financial Handbook	Chapter 3 Page 26, Step 7 & Page 28, Step 11	The formula used here is a new and different calculation than had been previously used. Could this change – and indeed the formula itself – therefore be explained?	N/A
		Financial Handbook	Para 4.50	This refers to a “Tax Clawback Data Table” that is to be included within the annual RRP submission. We have not had sight of this new table and would therefore like to review it to ensure it is operating as anticipated.	N/A
		Financial Handbook	Para 10.51	This paragraph does not appear to reflect what happens in the workbook.	We believe that the paragraph should be re-written to say, “... the calculation workbook will take the difference between actual appropriate debt interest payments and the originally modelled interest payments and multiply that difference by the modelled tax rate for the year (28%) to obtain the clawback value. This will then be deflated from nominal to 09/10 values to give the value for the component term, TAR.”
	Minor				
		Financial Handbook	Para 4.60	This refers to the pre-tax value of TGIE in para 4.58; but the value is not in that para.	We believe that the reference should be to 4.57.
		Financial Handbook	Para 10.25	The amount added to the regulatory tax loss carried forward is the agreed difference between payments made and allowed, not the amount calculated by the formula in 10.24 as that is a tax charge calculation.	We believe that the second part of the paragraph should be changed to read, “... concerned, then the aggregate difference amount should instead be added to the licensee’s regulatory tax loss...”
		Financial Handbook	Para 10.48	Third bullet point only refers to “actual corporate debt interest payments” and therefore does not take account of the fact that certain items are deducted as per the tax clawback methodology.	We would recommend altering the bullet point so that I says “actual appropriate corporate debt interest payments”
		Financial Handbook	Para 10.77	This refers to steps in paras 10.86 to 10.89 as the steps for calculating CAR; but these paras refer to MRAV	We believe the reference should say paras 10.78 to 10.81.
		Financial Handbook	Para 10.78	For clarity, we believe that this paragraph should explicitly state that the Repex Total is after the MRSA element is removed and that the Capex total is after the Fuel Poor element is removed.	We therefore suggest that the two bullet points should read: “outturn capex expenditure (excluding Fuel Poor) total” and “outturn repex expenditure (excluding MRSA) total.

		Financial Handbook	Para 10.79	The figures entered into the Legacy workbook are not aggregated – they are entered in as Capex and Repex individually; and they are entered as 05/06 values rather than 09/10.	We would recommend that the values for Capex and Repex are entered onto the Legacy Workbook separately and in Nominal prices; and then allow the Legacy workbook to aggregate them and deflate them to the appropriate value. (This would require a small alteration to the Legacy Workbook)
		Financial Handbook	Para 10.80	The “Equalised Incentive Expenditure” reference in this paragraph is not an entry field on the workbook.	The entry fields are called: Total Capex (gross of NTS expenditure) & Total Repex (net of expenditure under MSRA incentive). We therefore believe that the reference in this para should be changed to these.
		Financial Handbook	Para 10.82	This refers to steps in paras 10.91 and 10.92 as the steps for calculating CRAV; but these paras refer to MRV.	We believe the reference should say paras 10.83 and 10.84.
		Financial Handbook	Para 10.83	This refers to terms in para 10.84 which are actually in 10.78.	We believe the reference should therefore say 10.78
		Financial Handbook	Paras 10.94	We believe that in this calculation of the mains and services replacement expenditure adjustment, the full figures should be used rather than the 50% described.	We would therefore suggest that para 10.94 should be removed.
		Financial Handbook	Para 10.95	This refers to a “deflated total obtained under Step 2”; but there is no deflated total in that step and the input in the Legacy Workbook is in nominal.	Simply remove the term “deflated”.
		Financial Handbook	Paras 10.95	There is no “equalised incentive expenditure” line in the Legacy Workbook for MRV.	The two lines (and thus the cells where the 2012-13 values need to be entered) are called “Incentives Repex Allowance” and “Actual Incentivised Repex Workload”. We therefore suggest replacing the reference to the “equalised incentive expenditure” with these terms.
		Financial Handbook	Para 10.96	This refers to a process set out in para 10.96c. This does not exist.	We believe the reference should say 10.88c
		PCFM	Revenue Tab Line 20	This line was not present in previous version of Model. It does not link to anything but erroneously reduces WWU's allowed revenue by £0.1m. Can the purpose of this line therefore be clarified?	N/A
		WWU Legacy Workbook	TAR Tab Cell AG30	The output of this tab should logically be negative as the clawback is a reduction of income (specifically a reduction of the Tax Allowance).	A reversal of the positions of the cell references AG19 and AG18 in Cell AG30's calculation would produce the required effect.
		WWU Legacy Workbook	Directed Values Tab Cells I30:34 & CRAV Tab, Cells AC29:AG29	It is our understanding that these cells need to be hard-coded. We therefore presume a final version of this model will be issued. Can that be confirmed?	N/A

Response template for RIIO-T1 and GD1-Stat Con consultation