

Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2

Regulatory instructions and guidance

Reference: Version 2

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Target Audience:

Offshore transmission owners (OFTOs), potential bidders for offshore transmission assets, consumers and consumer representatives and other interested parties.

Overview:

These regulatory instructions and guidance (RIGs) are provided to OFTOs to enable them to complete the reporting templates that they are required to submit under their offshore transmission licence (Licence). This document applies to the licensee of a Licence granted in transitional tender round 2 (TR2) only, and does not apply to the licensee of a Licence granted in transitional tender round 1 (TR1).

Context

Ofgem and the Department of Energy and Climate Change (DECC), have developed a regulatory regime for offshore electricity transmission. A key part of the regime is that a Licence may be granted to an OFTO following a competitive tender process run by Ofgem.

Under the terms of the Licence, licensees are required to submit cost, revenue and incentive reporting to the Gas and Electricity Markets Authority (the Authority). This document provides licensees with detailed instructions for what to report and offers guidance on how to complete the reporting templates.

Associated documents

- Offshore transmission owner reporting pack for TR2 licensees

Available from the Ofgem website www.ofgem.gov.uk.

Contents

Executive Summary	4
1. Introduction	6
2. Specified information - general	7
Sign off	7
Universal data	7
3. Specified information – revenue reporting	9
Sheet 4a. Monthly performance incentive calculations	10
4. Specified information – cost reporting	12
Sheet 8. Operating costs	12
Sheet 9. Financing – equity and intercompany debt	13
Sheet 10. Financing – senior debt	14
Sheet 11. Financing – bonds	15
Sheet 12. Financing – derivatives and other	15
Sheets 9, 10 & 11. Financing – various	16
Sheet 13. Tax	16
Sheet 14. Statement of comprehensive income	17
Sheet 15. Statement of financial position	18
Sheet 16. Cash flow statement	19
Sheet 17. Financial ratios	19
Sheet 18. Reconciliation of internally consistent figures	20
Sheet 19. Reconciliation to statutory accounts	20
5. Specified information – equity transaction reporting	22
6. Reporting arrangements	23
7. Additional guidance for reporting on templates	27
Appendices	30
Appendix 1 – Audited revenue return	31
Appendix 2 – Forecast revenue return	38
Appendix 3 – Availability incentive reporting	39
Appendix 4 – Incremental capacity incentive reporting	45
Appendix 5 – Cost reporting templates	47
Appendix 6 – Equity transaction reporting	64
Appendix 7 - Glossary	65

Executive Summary

This document is the Offshore Transmission Owner Regulatory Instructions and Guidance (RIGs) referred to under Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting) of the Licence. This document covers provision of information relating to revenues and cost reporting and covers provision by the licensee to the Authority¹ of information relating to the Licensee's costs, financial position and performance.

These RIGs apply to Licences granted for projects in TR2 only. The existing RIGs published on 26 April 2013 shall continue to apply to licensee's in respect of Licences granted for TR1 projects. The reason for there being separate RIGs applying to Licences for TR1 and TR2 projects is that the Licence revenue formulae differ.

The information described in this document is required for a number of reasons:

1. Compliance assurance

The information collected through these RIGs allows Ofgem to monitor effectively the revenue of the consolidated transmission business and to confirm that the revenues charged are in line with the tender revenue stream (TRS) as adjusted for incentives.

2. Monitoring incentives

In order to ensure that the incentives are working as intended and that they are properly balanced we need to obtain and review reliable data about performance against incentives and the associated revenue impact.

3. Licence compliance

Condition E12 – D1 (Offshore Regulatory Reporting) of the Licence requires this data to be collected and provided to Ofgem.

4. Building knowledge

Acquiring experience and knowledge of the actual costs involved in operating an OFTO will enable the Authority to evaluate subsequent tenders more effectively.

5. Financial health

In performing its functions, the Authority has regard to the need to secure that an OFTO can finance its offshore transmission activities and obligations. Monitoring enables us to respond as early as possible in the event an OFTO's financial health deteriorates.

The RIGs provide a framework that enables OFTOs to collect the data and report it to Ofgem in a consistent format. The RIGs inform OFTOs about the information we plan

¹ Ofgem is the office of The Gas and Electricity Markets Authority ('the Authority'). The terms 'Ofgem' and the 'Authority' are used interchangeably in this document.

to collect, guide them on how to provide this information and enable them to put the systems in place to collect the data in the detail we require.

With regard to revenue reporting, this document covers two separate reporting requirements under Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting):

1. Revenue Reporting

Covering the provision of audited and forecast revenue as stipulated by paragraph 7 of Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting). In essence this aims to provide Ofgem with the audit trail of all allowed revenue generated by the licensee in each relevant year; and

2. Incentives Reporting

Providing information on incentives schemes, specifically the availability incentive and the incremental capacity incentive under Amended Standard Condition E12 – J4 (Restriction of transmission revenue: Annual revenue adjustments).

These RIGs may be modified in accordance with the change control procedures detailed in Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting). **For the avoidance of doubt licensees must not change the structure of the RIGs** – this includes adding or removing rows or columns even if there is no data in them. If a licensee identifies a need for a change then they should raise the matter with Ofgem and we can make the change to the master version of the reporting template as required.

1. Introduction

- 1.1. Amended Standard Condition E12 – D1 establishes the requirements of the RIGs.
- 1.2. The RIGs contain the specified information to be reported in the templates provided in Appendices 1-5. The specified information is identified in Chapters 2, 3 and 4.
- 1.3. Chapter 5 covers reporting arrangements and the provision of revenue returns to the Authority with Chapter 6 providing details on completing the templates.
- 1.4. For the avoidance of doubt this document is subordinate to the Licence conditions. This document will not change, alter, or amend, any definition or obligation contained within the Licence. In the event of any inconsistency between the Licence conditions and this document the Licence conditions will take precedence.
- 1.5. These RIGs may be modified, from time to time, in accordance with the change process set out in paragraphs 13 to 17 of Amended Standard Condition E12 – D1. Ofgem recognises that any significant changes to the scope or form of the information that it requests from the licensees 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.
- 1.6. If any of the guidance contained in this document is at any time not sufficiently clear to a licensee, then that licensee should contact Ofgem for further guidance and to discuss potential changes to the reporting templates which may be required. In the first instance queries should be directed to:

Ilona Groenewald
Senior Manager, Financial Analysis
Ofgem
Ilona.Groenewald@ofgem.gov.uk and offshore.reporting@ofgem.gov.uk.
0207 901 1851

2. Specified information - general

Sign off

2.1. The input cells on the sign off sheet are to be completed by a director of the licensee once all other data has been collected in the return and immediately prior to submission of the return to the Authority.

2.2. Each individual tab of the return should be reviewed and the name of the preparer and the name of the reviewer recorded in the specified input cells on the left of each tab. The reviewer should also tick the box to indicate that the tab has been reviewed and all issues properly resolved.

2.3. For the avoidance of doubt the review of each tab need not necessarily be performed by a director of the licensee though the declaration on the 'Sign off' tab must be. The director making the declaration must have taken adequate steps to satisfy themselves that they are able to make the declaration shown on that tab.

Universal data

2.4. **Company number:** this should be the official company registration number issued by Companies House upon incorporation of the licensee.

2.5. **Company name:** this should be the official name of the company as reported on filings submitted to Companies House. In the event that the name of the company has changed during the year then the name reported in this tab should be the name as at year end, ie 31 March.

2.6. **Company short name:** this should be a standard abbreviation of the name of the licensee which should be used whenever the name of the licensee is to be abbreviated.

2.7. **Project:** this should be the name of the offshore transmission system their Licence is granted in respect of. For the avoidance of doubt in TR2 the names of these projects are:

- London Array
- Lincs
- Gwynt y Môr
- West of Duddon Sands

2.8. **Reporting year:** this is the most recent year for which data are being submitted. The regulatory reporting year runs from 1 April to 31 March. It is anticipated that where Licence grant does not coincide with the start of the regulatory reporting year that the first reporting period will be for a period of less

than 12 months (i.e. to next 31 March). The convention used in naming reporting years is to use the name of the year in which the regulatory reporting year ends. For example, the regulatory reporting year which started on 1 April 2013 and ended on 31 March 2014 is referred to as '2014'.

Where a licence is granted between 1 January and 31 March the licensee will not be required to submit RIGs on the first 31 July following licence grant. The licensee should instead submit RIGs on the following 31 July which include the initial period between licence grant and the first 31 March regulatory year end. In these cases the first RIGs submissions will be for a period of between 12 and 15 months.

2.9. **Version (Number):** where cost reporting templates have been resubmitted for any reason each submission should be separately identified by its version number. The version numbers should be successive positive integers such that the first submission is always version 1 and any subsequent resubmissions will be labelled version 2, 3, 4 etc.

The Authority's agreement is required before any resubmission of information set out in a report produced in accordance with these RIGs can be made and in any such instance the report concerned must be resubmitted in full. The resubmission must only be accompanied by a letter signed by a director where significant changes have been made and the Authority or the licensee decide such a letter is required.

In addition, for each resubmission a separate explanation must be provided listing each and every cell that has been amended and sufficient commentary to explain the reasons for the changes.

2.10. **Submitted date:** paragraph 7 of Amended Standard Condition E12 – D1 requires that the completed cost reporting templates are submitted by 31 July following the end of the year to which the information relates. For example, the data for the reporting year 2014 should be submitted by 31 July 2014. This cell should specify the date on which the return was sent to the Authority.

2.11. **GAAP used in current year:** this cell shows the generally accepted accounting principles employed in the preparation of the accounts for the current reporting year. This cell links to tab 14 (Statement of comprehensive income) of the spreadsheet.

2.12. **Date to which last statutory accounts were made up:** this is the date to which accounts were prepared or are being prepared for submission to Companies House. This should be the most recent such date which fell within the reporting year. For example, if a licensee were to prepare its statutory accounts to 31 May each year then in the reporting year 2014 the 'Date to which last statutory accounts were made up' ought to be 31 May 2013 (since 31 May 2014 does not fall within the reporting year 2014).

3. Specified information – revenue reporting

3.1. The specified information for revenue reporting is as described below.

3.2. **Specified Information for Transmission Owner activity** means:

- the term: 'Allowed Transmission Owner Revenue' and all subsequent terms used in its calculation as described by the Amended Standard Conditions E12 – J1 to J4; and
- Excluded Services information as defined in Amended Standard Licence Condition E12 – J10.

3.3. **Allowed Transmission Owner Revenue (OFTO_t)** defined as:

$$\text{OFTO}_t = \text{BR}_t + \text{PT}_t + \text{PA}_t - \text{K}_t$$

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.

3.4. **Base Revenue Term BR_t**: BR_t refers to base transmission revenue as defined in Amended Standard Condition E12 – J2:

$$\text{BR}_t = \text{ATR}_t \times \text{PR}_t \times \text{RIT}_t$$

with all subsequent terms defined in that condition.

3.5. **Pass Through Items (PT_t)**: PT_t refers to Pass Through items and is defined in accordance with paragraph 2 of Amended Standard Condition E12 – J3. It is derived from the following formula:

$$\text{PT}_t = \text{LF}_t + \text{RB}_t + \text{CEL}_t + \text{DC}_t + \text{IAT}_t + \text{TPD}_t + \text{TCA}_t + \text{MCA}_t$$

with all subsequent terms defined in that condition.

3.6. **Performance Availability (PA_t)**: PA_t refers to incentive payments and is defined in accordance with Amended Standard Condition E12 – J4 paragraph 1. It is derived from the following formula:

$$\text{PA}_t = \text{AI}_t + \text{ICA}_t$$

with each subsequent term defined in that condition.

3.7. **Correction Factor (K_t):** K_t is the revenue restriction correction factor and is defined in accordance with paragraph 4 of Amended Standard Condition E12 – J2. It is defined by the following formula:

$$K_t = (AR_{t-1} - OFTO_{t-1}) \times [1 + (I_t + PI_t)/100]$$

With all subsequent terms defined in that paragraph.

3.8. The specified information for the incentive reporting is:

3.8.1. **Specified information relating to availability incentive:** Specified information for the availability incentive as defined in Amended Standard Condition E12 – J4 shall mean the following:

- Reduction in capacity (MWhr)
- Number of events impacting the incentive calculations
- The other availability incentive inputs shown in the associated reporting templates

All outages need to be reported, even if an exclusion is being sought. If there have been no outages then this need not be stated and the input cells left blank.

3.8.2. **Specified information relating to incremental capacity incentive:** Specified information for the incremental capacity incentive, defined in Amended Standard Condition E12 – J4, shall mean the following:

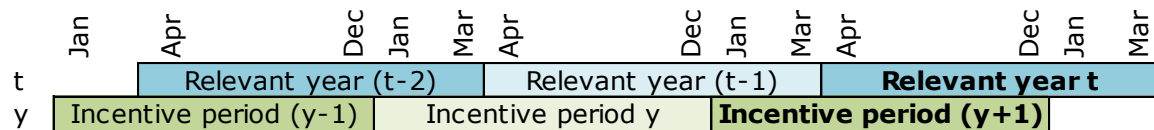
- kVA of additional capacity available
- Additional capacity made available

Sheet 4a. Monthly performance incentive calculations

3.9. **Incentive period:** You will note that on sheet 4a, column C - 'Incentive period y' begins at year 2. Please be aware that this is deliberate and should not be changed to begin at 1. The formula in cell C11 is linked to C9 which is currently blank. Again, this is deliberate and should not be changed.

3.10. The numbering of the incentive period is determined by the licence definitions of Relevant Year t and Incentive Period y . A Relevant Year runs from 1 April to 31 March. The OFTO's revenue is calculated for each Relevant Year, t . The year in which the licence is granted is always numbered Relevant Year $t=1$. The Incentive Period runs from 1 January to 31 December. Incentive Period y runs from the 1 January of Relevant Year $t-2$ to the 31 December of Relevant Year $t-1$. As shown in the diagram

below, this means that when the licence is granted in Relevant Year t (t=1), the corresponding Incentive Period is Incentive Period y+1 (y=2).



3.11. **First and Final years:** The month in which the licence is granted is likely to be part way through an incentive and financial year. Below is guidance on how you should complete sheet 4a – Monthly performance incentive calculations.

3.11.1. No data or formulas should be deleted from the following columns, including for the period prior to the licence grant or after the 20 year anniversary of the licence grant:

- Column B – ‘Year’
- Column C – ‘Incentive period’
- Column D – ‘Month’
- Column E – ‘Days in month’
- Column H – ‘Reported System Incentive Performance’
- Column I – ‘Transmission System Incentive Rate’
- Column J – ‘Monthly weighting term’
- Column K – ‘Monthly Weighted Unavailability’
- Column L – ‘Maximum Transmission System Availability’
- Column M – ‘Monthly weighted maximum availability’

3.11.2. For the period prior to licence grant and the period after the 20 year anniversary no data should be entered in Column F – ‘Planned Maintenance’ and Column G – ‘Unplanned Outage’ i.e. the licensee should report 100% availability for the assets in these periods.

3.11.3. In the actual month of licence grant and the final month of the licence please leave the number of days in column E as if it were a whole month i.e. do not change it reflect that the licence may have been granted part way through the month.

3.12. This approach will ensure that the spreadsheet can correctly calculate all incentive bonuses or penalties.

4. Specified information – cost reporting

4.1. The information to be provided as part of the cost reporting regime identified in Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting) is specified in detail in Appendix 5 which consists of screen shots of the cost reporting templates which are themselves spreadsheets. This section sets out the definitions of the terms used in those spreadsheets. The headings used in this document mirror the headings used in the cost reporting templates (i.e. the spreadsheets).

4.2. All cost and revenue data should be reported on an accruals basis unless otherwise specified.

4.3. All monetary amounts should be reported in £m and to three decimal places.

4.4. All data is to be reported in nominal terms unless otherwise specified.

4.5. In several cases the cost reporting templates are designed to capture the data across the duration of the Licence. In these cases all previous periods are to be completed with the outturn figures and all future periods are to be completed with forecasts.

4.6. A general principle to be applied in the completion of the cost reporting pack is:

Where possible the data requested should be provided. Where it is not possible for any reason to provide the data in the detail required this should be explained in a commentary submitted alongside the reporting pack.

4.7. The template includes 'spare' rows to cater for some variation in the way OFTOs are accounted for (eg under different accounting treatments). The Authority welcomes the opportunity to engage with OFTOs to further develop the reporting pack to be more flexible, if necessary, in dealing with different accounting approaches.

Sheet 8. Operating costs

4.8. **Income figures:** these lines reference the data in tab 14 (Statement of Comprehensive Income). They are included in this tab for ease of reference only.

4.9. **Operating and maintenance costs:** the split of O&M costs here is designed to be exclusive and universal such that any cost fits into one and only one category. If a cost arises which does not fit into precisely one category then the licensee is to contact Ofgem to discuss the matter. This situation is not expected to arise since the headings classify the costs according to the cause of the O&M activity and any given O&M cost should be identifiable as either ongoing, reactive or reserve build-up.

4.10. Where individuals are involved in different types of O&M work the associated labour costs should be allocated on an appropriate basis (e.g. hours worked). Overhead costs should not be absorbed into O&M or other activity costs but should be separately reported under SPV costs.

4.11. **Insurance:** the 'insurance type' shown in row 27 should be filled in as either 'self insurance' or 'third party insurance' to indicate the nature of the OFTO's insurance arrangements. Rows 31 – 45 are designed to record all aspects of property insurance costs. As with other cost reporting categories if a cost cannot be properly allocated to one of the categories shown then it is to be discussed with Ofgem. The insurance memo items in rows 53 - 74 are not included in the cost total. These rows should be completed to show the sum insured and deductible applicable to each of the asset classes and insurance categories shown.

4.12. **Decommissioning:** the 'accruals' line should record the decommissioning cost in a given period in accordance with the GAAP being used. Therefore if there is a net increase in decommissioning provision in the period then the movement should be shown here. The 'cash' line should record only actual expenditure on decommissioning, i.e. should not record provision movements.

4.13. **SPV costs:** all overhead costs are to be shown in rows 95 – 112. If the licensee identifies a cost which does not fit in to one of the categories shown then they are to use the 'other' cell provided and input the description of the costs in question.

4.14. **Replacement expenditure (various):** these cells are for recording the cost of any replacement capex. Items costing less than £1,000 should be aggregated and reported as 'low value items'. Items costing £1,000 or more should be separately identified and reported under the relevant heading (offshore platform, onshore to offshore transfer, etc.).

4.15. **Bid costs:** The costs associated with the tender process should be reported here split out by the categories shown with other categories of cost separately shown in the input cells provided.

4.16. In the event that these costs are capitalised then the check sheet will show an error and this should be explained by way of explanatory note submitted alongside the reporting pack. The amounts of these costs (whether expensed or capitalised) should be reported in the cost reporting pack.

4.17. **Other costs:** These cells should be used to record costs which do not fit in to any of the previous categories.

Sheet 9. Financing – equity and intercompany debt

4.18. **Equity:** the initial equity used to incorporate the licensee should be reported as an equity injection in the first period.

Dividends should be reported on the basis of date declared, i.e. dividends are to be reported if and only if the date on which they were declared falls within the reporting year.

The reporting convention is as shown in the spreadsheet: increases in equity are to be shown as positive, decreases are to be negative. Dividends declared should also be a positive figure.

If the licensee is involved in other equity transactions such as share buy-backs then they should contact Ofgem for guidance on how best to report this.

4.19. **Subordinated debt:** these cells are for recording the principal outstanding and any interest payments or compounding of interest. The name of each tranche ought to be sufficient to identify the counterparty and any significant terms of the loan which are not captured elsewhere.

The reporting convention is as shown in the spreadsheet: increases in debt are to be shown as positive, decreases are to be negative.

4.20. **Debt raised by holding companies:** Where a licensee is financed by debt which is raised at holding company level details of the respective balance sheet positions should be shown here along with the identity of the holding company.

The debt raised by this holding company should be included in the cost reporting pack as if the debt were raised by the licensee itself such that the cost reporting pack provides details of all the financing which specifically finances the licensee either directly or indirectly.

4.21. **Parties to debts:** Where one or more of the financial instruments detailed in the cost reporting pack was entered into by the holding company on the OFTOs behalf (eg if the HoldCo raises a bond and on-lends the proceeds to the licensee) then each such financial instrument should be identified. Hence in the bond example, the party to 'Bond 1' would be entered as 'HoldCo' in row 92. All financial instruments which the OFTO enters into on its own behalf should be identified as such in rows 84 – 102. Clearly 'Both' should be entered in rows 84 – 86 where there are loans between OFTO and HoldCo.

4.22. In situations where there is no debt raised at HoldCo level specifically for on-lending to the licensee then 'OFTO' should be entered in each of rows 84 – 102.

Sheet 10. Financing – senior debt

4.23. **Senior debt:** as with the subordinated debt the name of the tranche should specify the counterparty and any key terms. In situations where the debt is syndicated amongst five or fewer banks then each bank should be named. Where

more than five banks are involved in a given tranche then only the facility counterparty need be named.

The first debt brought forward figure should be £nil in all cases and the acquisition debt should be recorded as 'senior debt issued' in the first period.

The reporting convention is as shown in the spreadsheet: increases in debt are to be shown as positive, decreases are to be negative.

4.24. The London Interbank Offered Rate (LIBOR) figure reported for each period ought to be the weighted average of the LIBOR data used in the calculation of the interest due on the senior debt for that period.

Sheet 11. Financing – bonds

4.25. **Bonds:** where a licensee has issued a bond the details are to be recorded in this tab. In the case of zero coupon bonds the notional increase in the amount of bond repayable should be recorded under the heading 'Unpaid coupons rolled up'. In the case of index linked bonds the increase or decrease in the value of the principal as a result of indexation should be recorded under the heading 'indexation adjustment'.

The description of the bond ought to include the coupon and maturity of the bond.

Sheet 12. Financing – derivatives and other

4.26. **Derivatives:** it is anticipated that licensees will obtain one or more swaps as part of their hedging strategy. The data collected here are intended to enable the Authority to monitor the cash and fair value impacts of these swaps.

The cash flows for each swap 1 should show the notional amount payable and receivable on each swap, even if the swaps are settled on a net basis. In order to deduce the fair value of each swap it is necessary to discount the cash flows using an appropriate discount rate as shown in the spreadsheet. It is for the licensee to determine the value of the appropriate discount rate (e.g. by reference to index linked gilt curves). From these inputs the spreadsheet calculates the fair value of each swap as the NPV of future cash flows. The licensee should satisfy themselves that the fair value figures being reported are consistent with the fair value figures being used for accounting purposes (i.e. it should agree to the fair value of the derivative shown on the balance sheet).

In the case of other (i.e. non-swap) derivatives only the fair value needs to be reported. This fair value should also agree with the fair value used for accounting purposes.

4.27. **Swap type:** this cell is for recording the underlying attribute which is being swapped. If the licensee enters into a swap other than for interest or inflation then they should record it in the input cell in column G. The input cells in column G feed the drop down list available against 'swap type' in column D (e.g. G13 feeds D12).

4.28. **Swap underwriter(s):** in situations where the swaps are underwritten by a number of underwriters each of those underwriters should be listed in this cell with a semi-colon between underwriters.

4.29. **Other instruments:** these lines are intended to capture other financial instruments and securities such as performance bonds. The nature, purpose and keep terms (such as call date and conditions) should be stated in the description box.

Sheets 9, 10 & 11. Financing – various

The following guidance applies variously to subordinated and senior debt and bonds and is therefore applicable to tabs 9, 10 and 11.

4.30. **Name of tranche:** The name of each tranche of each type of debt should identify the counterparty and any key terms associated with the debt.

4.31. **Interest rate:** The interest rate should be shown to three decimal places. Where the rate is variable the details should be specified in the cell, e.g. 'LIBOR+2.000%'.

4.32. **Amount issued:** The amount issued figure should be the year end figure such that the total of all amounts issued agrees to the balance sheet.

4.33. **Maturity:** If a loan has no fixed repayment date then brief details should be provided in the 'maturity' cell.

4.34. **Bonds:** The details of the bond should be specified in the cells provided. Any special characteristics (e.g. index linked or zero coupon) of the bond should be highlighted in the name of the bond.

Sheet 13. Tax

In order to ensure that the data provided is as reliable as possible whilst simultaneously reducing the reporting burden the licensee should provide alongside the cost reporting pack a copy of the CT600 form which they have most recently provided to HMRC. We accept that this will mean there is a lag between the period to which the return relates and its eventual submission but this is unavoidable. The licensee should also provide screenshots of the CT600 in the cost reporting pack.

Should the CT600 or HMRC be replaced by successor form(s) or organisation(s) respectively then the references above should be interpreted as references to those successor form(s) or organisation(s).

In due course reconciliation from the CT600 to statutory accounts will be required though no reconciliation pro-forma is currently shown in the cost reporting pack. This is because there is limited value in trying to anticipate each licensee's particular circumstances as would be necessary for preparing such a pro-forma. Instead a reconciliation will be provided in a subsequent version of these RIGs as required. This can be expected once we have received a CT600 from two or more separate OFTO groups.

Sheet 14. Statement of comprehensive income

The whole table should be completed with actual data for all elapsed periods (ie prior to and including the reporting year) and with forecast data for all future periods. This table and the statement of financial position attempt to be sufficiently flexible to reflect any of the possible accounting treatments an OFTO may adopt. Hence it is expected that some rows will contain only nil values - for example there would not likely be both IFRIC 12 amortisation and depreciation of operational assets.

4.35. **GAAP used (UK or IFRS):** All UK companies are expected to converge to IFRS in due course. In any event licensees should record which GAAP has been used in the preparation of the statement of comprehensive income for each year. The accounting treatment used in preparing the statement of comprehensive income and the statement of financial position should be specified in row 10. If the accounting treatment used is not shown in the drop down list in row 10 the licensee should select 'Other' and specify in row 11 the accounting treatment used.

4.36. **Revenue:** revenue should be reported in accordance with the GAAP specified at the top of the table.

4.37. **Other operating income:** other operating income should be reported in accordance with the GAAP specified at the top of the table.

4.38. **Operating costs:** operating costs should be reported in accordance with the GAAP specified at the top of the table. Where these figures are reported under the same headings as in the operating assumptions and operating costs tab then the figures should agree.

4.39. **Interest income and similar income:** these figures should be reported in accordance with the GAAP specified at the top of the table.

4.40. **Interest expense and other finance costs:** these figures should be reported in accordance with the GAAP specified at the top of the table. The interest payable figure should agree to the total interest payable on bonds, senior debt and subordinated debt. If the licensee has other interest which should be reported as

interest payable under the GAAP being used and the table doesn't include the necessary row heading then they should contact Ofgem for guidance.

4.41. **Taxation:** these figures should be reported in accordance with the GAAP specified at the top of the table. These figures should be consistent with those in the operating assumptions tab. If there is a difference this needs to be explained.

4.42. **Other comprehensive income:** licensees should report here any items which are to be recognised directly in equity. If there are items which the licensee needs to recognise directly in equity and for which there is currently no heading then the licensee should contact Ofgem.

4.43. **Exceptional items:** All exceptional items should be included in the results shown in the statement of comprehensive income and explicitly identified in the memo item rows (rows 66 – 70). The description of each exceptional item should make it clear which element of profit and loss is being adjusted and the reason for the adjustment. The description should also clearly justify why the item is exceptional.

4.44. **Fair value gains and losses:** where the licensee has designated its swap arrangements as cash flow hedges and is consequently revaluing swaps to fair value and putting the revaluation through the income statement the revaluations associated with each swap should be shown in rows 73 – 78. Any other fair value gains or losses should be described in sufficient detail to justify why the item is a fair value gain or loss using the input cells provided.

Sheet 15. Statement of financial position

If there are items which the licensee needs to report in the statement of financial position which do not currently have row headings then the licensee is to discuss the matter with Ofgem.

All items in the statement of financial position are to be reported in accordance with the GAAP shown at the top of the sheet.

4.45. **Cash reserve accounts:** These are memo items only and therefore do not form part of the statement of financial position – the statement of financial position should include all assets and liabilities and balance in its own right. The purpose of reporting this information here is twofold:

- i. to corroborate the reporting of financial ratios
- ii. to monitor licensee's financial position relative to the financial model submitted as part of the original bid.

Therefore the balances on these accounts should be as reported for bank covenant reporting and should only include the balances on the properly ring-fenced reserve accounts. The figure reported in row 93 should be the total cash held by the licensee outside of reserve accounts. Hence the total of rows 84 to 92 should agree to the figure shown in row 31 (cash and cash equivalents).

Sheet 16. Cash flow statement

If there are items which the licensee needs to report in the cash flow statement which do not currently have row headings then the licensee is to discuss the matter with Ofgem.

All items in the statement of financial position are to be reported in accordance with the GAAP shown at the top of the sheet.

Sheet 17. Financial ratios

The purpose of this tab is to provide a summary of the licensee's financial position and compare this with the funder's covenants.

All data for past periods should be actual data. The return should also be completed for future periods based on forecast data.

These RIGs focus only on the cells where the licensee's input is required.

4.46. **Covenants:** The licensee should record the minimum annual debt service cover ratio and minimum loan life cover ratio specified by the lenders in the credit agreement(s). The figure reported should be the most strict (if different lenders have offered different terms) for the least severe situation (e.g. if distribution lock-up occurs at 1.15x and default occurs at 1.10x then 1.15x is the figure to be reported).

In situations where lenders have specified financial ratios as covenants as well as or instead of ADSCR and LLCR then these financial ratios are to be specified. These other covenants should be specified in rows 21 and 22 and the licensee's performance on these ratios should be specified in rows 26 and 27 respectively.

In situations where the licensee reports its ratios to debt providers on a consolidated basis (for instance where finance is provided other than directly to the licensee) then the ratios reported here should similarly be those consolidated ratios. The fact that the ratios are based on a consolidated position should also be noted and briefly described in a commentary to be provided alongside the reporting pack.

4.47. **Ratios:** These should be the ratios as reported to the licensee's funders. The actual ratios may be directly input (i.e. without supporting calculation) though the

methodology used to calculate the ratio should be described in the relevant box below (see rows 35 to 44 of the reporting template).

4.48. **Transfer value and subsequent capex:** The licensee should include the transfer value and any subsequent capital expenditure or disposals. The transfer value reported should be the final ex-post transfer value as agreed with the Authority.

Sheet 18. Reconciliation of internally consistent figures

No data needs to be entered by the licensee into this sheet. The licensee should still review the reconciliation tab to ensure that all data have been properly reconciled prior to submission to the Authority. Accordingly the reviewer details cell is still provided on the left of the sheet along with a check box to be completed as an indication that the sheet has been reviewed.

In situations where one of the checks reveals an internal inconsistency the matter should be explained in a short commentary to be submitted along with the reporting pack. These situations are only expected to arise in situations which were not foreseen at the time the reporting packs were constructed. Furthermore the licensee should discuss any such matters with Ofgem so that the reporting pack can be amended for the subsequent year's reporting to avoid any more internal inconsistencies.

Sheet 19. Reconciliation to statutory accounts

In order to provide some comfort that the figures reported in the cost return are consistent with those reported in the statutory accounts the licensee will have to declare in each cost return how much of each of the reported profit and loss figures is attributable to the most recent statutory accounts and how much will be attributable to the next period's statutory accounts. The diagram below shows an example:

	2011												2012														
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Revenue (£m):	Stats #1						Stats #2																				
	4			9						5			7						3								
Revenue (£m):	Regs #1				Regs #2								Regs #3														
	4				14								10														
Revenue (£m):	Cost return #1				Cost return #2								Cost return #3														
	Previous: 0 Subsequent: 4				Previous: 9 Subsequent: 5								Previous: 7 Subsequent: 3														

In the example above the first cost return is provided in July 2011 and covers the period 1/1/11 - 31/3/11. All costs and revenues in that return should be reported as

being attributable to a subsequent accounting period (column F in the return) since no statutory accounts had been drawn up prior to 31 March 2011. When the second cost return is submitted the 'Previous' figure (column E in the return) should be the balancing figure required to agree with the total figure submitted in the first set of statutory accounts.

This process requires licensees to make an estimate of how their revenue and costs are split across the year since the statutory accounts and Ofgem accepts that the split may not be precise since month end cut-off procedures are rarely as rigorous as year end ones. Nonetheless licensees should be able to make a reasonably reliable estimate based on the monthly accounts and the results should give the Authority some comfort that the figures reported are broadly in line with those which are subject to statutory audit.

4.49. **Attributable to last statutory accounts:** As described above this will be the balancing figure required to ensure that the current return's previous figure plus the previous period's subsequent figure total to the figure reported in the statutory accounts.

4.50. **Attributable to the statutory accounts for the year to [next accounting period]:** As described in the above example, these figures will be management's best estimate of the amount of costs and revenues reported in the cost return which are attributable to a set of statutory accounts which have not yet been prepared.

4.51. **Total items included in cost return but not in statutory accounts:** This column is to be used for recording the total value of reconciling items of this sort. Note that the reconciling items should not be the result of timing differences since the structure of the reconciliation captures the appropriate costs and revenues for the period. Any reconciling totals must be supported by a breakdown of individual items where each item is properly explained. The Authority may ask for documentary support of reconciling items. This data should be reported in nominal terms.

4.52. **Total items included in statutory accounts but not in cost return:** This column is to be used for recording the total value of reconciling items of this sort. Note that the reconciling items should not be the result of timing differences since the structure of the reconciliation captures the appropriate costs and revenues for the period. Any reconciling totals must be supported by a breakdown of individual items where each item is properly explained. Ofgem may ask for documentary support of reconciling items. This data should be reported in nominal terms.

5. Specified information – equity transaction reporting

5.1. The Authority has modified all electricity transmission licences by adding a new amended standard condition, E12 – D2 (Equity Transaction Reporting), in an effort to:

- increase transparency of equity transactions following licence grant, and
- provide the Authority with information on the appetite in the secondary equity market for investment in OFTOs.

5.2. Appendix 6 illustrates the template designed for this purpose, which requires details to be completed such as:

- the date of the transaction(s);
- the value of the transaction(s);
- where applicable, the number of shares the licensee transferred, issued or bought back and the percentage of the total shares of the licensee this represents; and
- where applicable, the percentage of the licensee now owned by the new ultimate controller(s).

5.3. This reporting requirement is relevant to all OFTOs.

6. Reporting arrangements

Revenue reporting

6.1. 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.

Provision of an allowed revenue model

6.2. For the purposes of providing information to the Authority, Ofgem provides the allowed revenue model which covers the reporting of OFTO revenues. The model operates on the basis of a series of inputs fed into the spreadsheet, which in turn generate allowed revenue in the calculation pages based on the formulae given in the Amended Standard Conditions E12 – J1 to E12 – J4.

6.3. The output pages extract data from the model to produce the revenue return reports. The input pages and revenue return reports are provided in Appendix 1: Audited Revenue Returns and Appendix 2: Forecast Revenue Returns. These reports represent templates referred to by paragraph 7 of Amended Standard Condition E12 – D1.

Audit requirements – revenue reporting

6.4. Paragraph 9 of Amended Standard Condition E12 – D1 requires the information relating to paragraph 7 (a) to be accompanied by an auditor's report. Furthermore paragraph 10 of Amended Standard Condition E12 – D1 requires that the report from the auditors be accompanied by a letter detailing the procedures they have followed in reaching their reported opinion. Both documents are required to be provided to the Authority in hard copy in conjunction with an electronic copy of the revenue and incentive reporting pack.

6.5. Agreed upon procedures will be issued by Ofgem to specify the procedures auditors must follow in the production of their audit report.

6.6. For the purposes of paragraph 9 of Amended Standard Condition E12 – D1 the following sections of the Audited Revenue Return (as given in Appendix 1) should be audited:

- 1. Inputs
- 3a. Excluded and de minimis revenue
- 3b. Total revenue (including excluded services)
- 3c. Reconciliation between OFTO's total revenue and allowed revenue (OFTO_t)

Audit requirements – cost reporting

6.1. Amended Standard Condition E12 – D1 makes certain references to audit requirements. The RIGs do not require an audit report to be submitted pursuant to this condition, although the Authority may modify the RIGs². Such change may extend to introducing an audit requirement for some or all of the cost reporting where this is considered necessary by the Authority.

Documents to submit

6.2. The below table sets out the revenue and incentive reporting requirements under Amended Standard Condition E12 – D1. The references in the final column 'Documents to submit' are references to appendices to this document. Electronic copies of the worksheets shown in these appendices should be submitted. Blank copies of these worksheets are provided along with this document. Given that all the reporting is contained in the same Excel workbook we expect licensees will find it easier to submit the whole workbook to cover off all the reporting due on 31 July with separate reporting for 1 April. Reporting in this way is encouraged.

Reporting	Return	Licence reference	Documents to submit
Revenue	Audited	E12 - D1 para. 7(a)	Appendix 1
	Forecast	E12 - D1 para. 7(e)	Appendix 2
Incentives	Availability	E12 - D1 para. 7(c)	Appendix 3
	Incremental capacity	E12 - D1 para. 7(d)	Appendix 4

6.3. In addition, in respect of Amended Standard Condition E12 – D1 paragraph 7(a) (audited revenue reporting) the licensee must submit the following:

- A report from the licensee's auditor setting out the findings of their agreed upon procedures (this will constitute the 'auditor's report' referred to in the Licence).
- A hard copy of the revenue return initialled by the licensee's auditors on each page to indicate that the version submitted is the same as the version on which the auditors prepared their work.

6.4. As part of the cost reporting each licensee must submit the following cost reporting pack in respect of Amended Standard Condition E12 – D1 paragraph 7(b):

- The completed cost reporting templates in electronic format (to be submitted via email).

² Modifications would be made as described in Part E of Amended Standard Condition E12 – D1 (Offshore Regulatory Reporting)

- Where relevant³, a report from the licensee's auditor setting out the findings of their agreed upon procedures (this will constitute the "auditor's report" referred to in the Licence).
- Where relevant⁴, a hard copy of the cost return initialled by the licensee's auditors on each page to indicate that the version submitted is the same as the version on which the auditors prepared their work.

N.B. Audit reporting is not required for the cost reporting under the RIGs but may be required as described above in paragraph 5.1.

Submission dates

6.5. As required by Amended Standard Condition E12 - D1 paragraph 7 this return should be submitted to the Authority by no later than 31 July of each relevant year. For example, the cost return for the year to 31 March 2014 should be submitted by 31 July 2014.

6.6. Submission dates are as follows:

Reporting	Return	Licence reference	Submission date
Revenue	Audited	E12 - D1 para. 7(a)	31 July
	Forecast	E12 - D1 para. 7(e)	1 April
Incentives	Availability	E12 - D1 para. 7(c)	31 July
	Incremental capacity	E12 - D1 para. 7(d)	31 July

6.7. Items due by 31 July are to cover the preceding regulatory year. For example, the audited revenue return for the year to 31 March 2014 should be submitted by 31 July 2014.

³ As noted above in paragraph 5.1 such an audit report is not required for the year 2013-14

⁴ As noted above in paragraph 5.1 such an audit report is not required for the year 2013-14

Submission process

6.8. The documents listed under point 5.2 and 5.4 above should all be emailed to offshore.reporting@ofgem.gov.uk and Ilona.Groenewald@ofgem.gov.uk. Hard copies should also be sent to:

Ilona Groenewald
Senior Manager, Financial Analysis
Ofgem
9 Millbank
London
SW1P 3GE

7. Additional guidance for reporting on templates

Introduction

7.1. This section sets out guidance for the reporting of the specified information.

Guidance

7.2. Unless otherwise stated in the cost reporting templates data should be reported to the following level of precision:

For £m amounts to 3 decimal places

For percentages to 2 decimal places

7.3. The 'Cover' tab shows the key to the colour coding used in the cost reporting templates. Licensees should only enter data into yellow coloured cells. Where a licensee believes the cost reporting template needs to be amended in order to accommodate their reporting requirements this is to be raised with the Authority.

7.4. All data are to be reported in nominal prices unless otherwise stated.

Information relating to Appendix 1 – Audited Revenue Return

7.5. **Input Pages** – This covers general inputs across the OFTO allowed revenues as well as information relating to pass through items, availability incentive and other specific terms.

For all other inputs the licensee should enter data into the yellow shaded areas.

For this section each term should be stated as follows:

For £m amounts to 3 decimal places

For percentages to 2 decimal places

For kVA amounts to no decimal places

7.6. **Reports** - Table 2 covers all the reports generated from the calculation sheets in the allowed model.

Tables 3a to 3c are additional disclosure requirements relating to excluded services / de minimis activities and reconciliation of turnover to the regulatory accounts.

Information relating to Appendix 2 – Forecast Revenue Return

7.7. The forecast return provides a high level summary of the allowed revenues of the associated Offshore Transmission Owner activities. In the issued version of the templates the input cells for the forecast year contain look-ups to extract the data from the calculations. If the licensee prefers they can enter their forecast directly into tab 7. For this section each term should be stated as follows:

For £m amounts to 3 decimal places

7.8. Note that the forecast return is due for submission on 1 April of each year. The forecast in question is the early impression of the results for the year just ended.

Information relating to Appendices 3 and 4 – Availability incentive reporting and incremental capacity incentive reporting

7.9. For these sections each term should be stated as follows:

For £m amounts to 3 decimal places

For percentages to 2 decimal places

For MW amounts to 1 decimal place

For kVA amounts to no decimal places

Information relating to appendix 3 in respect of seeking adjustments to the reported system incentive performance

7.10. The Licence permits the licensee to seek from the Authority an adjustment to the calculation of the reported system availability incentive following an exceptional event. In order for an application for an adjustment to be considered the Authority must be notified within 14 days of the exceptional event in question. The licensee is also required to submit details of the reduction in system availability.

7.11. In the first instance the details of the reduction in system availability should be presented by means of a completed version of appendix 3 accompanied with such further information as the licensee feels is necessary. Note that the Authority may subsequently request further details of the reduction in availability.

7.12. Hence where a licensee is requesting an adjustment they should submit a completed version of appendix 3 within 14 days of the exceptional event. This reporting is in addition to the regular quarterly reporting and does not change the due dates for the quarterly reporting.

Appendices

Index

Appendix	Name of Appendix	Page Number
1	Audited revenue return	31
2	Forecast revenue return	38
3	Availability incentive reporting	39
4	Incremental capacity incentive reporting	45
5	Cost reporting templates	47
6	Equity transaction reporting	64
7	Glossary	65

Appendix 1 – Audited revenue return

Please note that the actual data presented in these templates is illustrative only and does not refer to any actual OFTO.

Sign off

Reviewed		Section	Prepared by	Reviewed by
x		1. Inputs	Name of preparer	Name of reviewer
x		2. Summary of all components of allowed revenue	Name of preparer	Name of reviewer
x		3a. Excluded and de minimis revenue	Name of preparer	Name of reviewer
x		3b. Total revenue (including excluded services)	Name of preparer	Name of reviewer
x		3c. Reconciliation between OFTO's Regulated Revenue and Allowed Revenue (ARt)	Name of preparer	Name of reviewer
x		4a. Monthly performance incentive calculations	Name of preparer	Name of reviewer
x		4b. Annual performance incentive calculations	Name of preparer	Name of reviewer
x		5a. Planned outages	Name of preparer	Name of reviewer
x		5b. Unplanned outages	Name of preparer	Name of reviewer
x		5c. Outages the OFTO has requested be excluded from availability incentive calculation	Name of preparer	Name of reviewer
x		6. Basis for TRGt	Name of preparer	Name of reviewer
x		7. Summary of forecast allowed revenue	Name of preparer	Name of reviewer
x		8. Operating costs	Name of preparer	Name of reviewer
x		9. Financing - Equity and intercompany debt	Name of preparer	Name of reviewer
x		10. Financing - senior debt	Name of preparer	Name of reviewer
x		11. Financing - bonds	Name of preparer	Name of reviewer
x		12. Financing - derivatives and other	Name of preparer	Name of reviewer
x		13. Tax	Name of preparer	Name of reviewer
x		14. Statement of comprehensive income	Name of preparer	Name of reviewer
x		15. Statement of financial position	Name of preparer	Name of reviewer
x		16. Cash flow statement	Name of preparer	Name of reviewer
x		17. Financial ratios	Name of preparer	Name of reviewer
x		18. Reconciliation of internally consistent figures	N/a	Name of reviewer
x		19. Reconciliation to statutory accounts	Name of preparer	Name of reviewer

Reviewed		Section	Prepared by	Reviewed by
x		1. Inputs	Name of preparer	Name of reviewer
x		2. Summary of all components of allowed revenue	Name of preparer	Name of reviewer
x		3a. Excluded and de minimis revenue	Name of preparer	Name of reviewer
x		3b. Total revenue (including excluded services)	Name of preparer	Name of reviewer
x		3c. Reconciliation between OFTO's Regulated Revenue and Allowed Revenue (ARt)	Name of preparer	Name of reviewer
x		4a. Monthly performance incentive calculations	Name of preparer	Name of reviewer
x		4b. Annual performance incentive calculations	Name of preparer	Name of reviewer
x		5a. Planned outages	Name of preparer	Name of reviewer
x		5b. Unplanned outages	Name of preparer	Name of reviewer
x		5c. Outages the OFTO has requested be excluded from availability incentive calculation	Name of preparer	Name of reviewer
x		6. Basis for TRGt	Name of preparer	Name of reviewer
x		7. Summary of forecast allowed revenue	Name of preparer	Name of reviewer
x		8. Operating costs	Name of preparer	Name of reviewer
x		9. Financing - Equity and intercompany debt	Name of preparer	Name of reviewer
x		10. Financing - senior debt	Name of preparer	Name of reviewer
x		11. Financing - bonds	Name of preparer	Name of reviewer
x		12. Financing - derivatives and other	Name of preparer	Name of reviewer
x		13. Tax	Name of preparer	Name of reviewer
x		14. Statement of comprehensive income	Name of preparer	Name of reviewer
x		15. Statement of financial position	Name of preparer	Name of reviewer
x		16. Cash flow statement	Name of preparer	Name of reviewer
x		17. Financial ratios	Name of preparer	Name of reviewer
x		18. Reconciliation of internally consistent figures	N/a	Name of reviewer
x		19. Reconciliation to statutory accounts	Name of preparer	Name of reviewer

Name:		[Name of director]
Position:		
Date:		

Universal data

ofgem E-Serve	OFFSHORE TRANSMISSION - Reporting pack
Project: Demo sands	
OFTO: [Offshore transmission operator 1]	
Year: 2013-14	

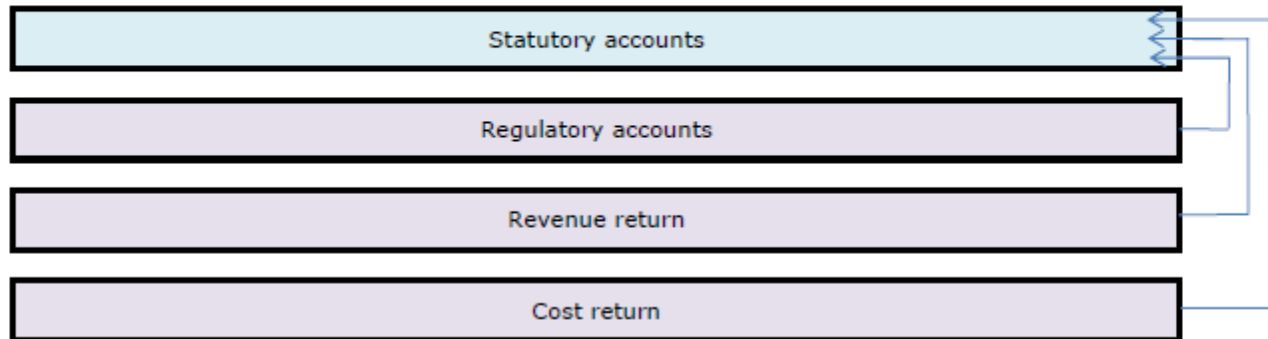
[Index](#)

Universal data

Prepared by:

Name of preparer	Company number:
	Company name:
Reviewed by:	Company short name:
Name of reviewer	Project:
	Reporting year: (enter 2014 for 2013/14)
	Version (number):
	Submitted date:
	Date to which last statutory accounts were made up:

[Offshore transmission operator 1]
OFTO1
Demo sands
2014
31 December 2012



All tables reconcile to statutory accounts

Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2

Sheet '1' Inputs

ofgem E-Serve **OFFSHORE TRANSMISSION - Reporting pack**
 Project: Demo sands
 OFTO: [Offshore transmission operator 1]
 Year: 2013-14

1. Inputs

Prepared by:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Name of preparer																								
Reviewed by:																								
Name of reviewer	Actual Revenue from NTSO (£m)	AR _t	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<input type="checkbox"/> Reviewed	Retail Price Index Number (September t)		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
FALSE																								
	Licence Fee cost adj. (£m)	LF _t																						
	Network Rates cost adj. (£m)	RR _t																						
	Crown Estate Lease cost adj. (£m)	CEL _t																						
	Decommissioning Cost adj. (£m)	DC _t																						
	Income Adjusting event revenue adj. term (£m)	IAT _t																						
	Temporary Physical Disconnection term (£m)	TPD _t																						
	Tender Cost Adj. term (£m)	TCA _t																						
	Marine and Coastal Act 2009 adj. (£m)	MCA _t																						
	Incremental Capacity Utilisation adjustment (kW)	ICU _t																						
	Additional Capacity Adjustment (£m)	ACA _t																						
	Average specified interest rate (%)	i _t	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Tender Revenue Stream (£m, real)	TRS _t																						
	Market Rate revenue Adj. (£m, real)	MRA _t																						
	Post Tender Revenue Adj. (£m, real)	PTRA _t																						
	Proportion of Revenue term	PR _t	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Defined terms from Annex A to Condition E12 - J4

Month	Licence Condition	1	2	3	4	5	6	7	8	9	10	11	12
		January	February	March	April	May	June	July	August	September	October	November	December
W	E12 - J4	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Defined terms from amended standard condition E12 - J2 and E12 - J4

Description	Name	Licence Condition	Value
Tender Revenue Stream	TRS		-
TEC (MW)	TEC	E12 - J4	150.0
Normal Capability Limits (MW)	NCL	E12 - J4	
Revenue Impact Cap	RCAP	E12 - J4	10.00%
Target Availability	TA	E12 - J4	98.00%
Penalty Interest Rate	PI	E12 - J2	4.00%
Penalty Application Level		E12 - J2	4.00%
Risk Compensation Factor	RCF	E12 - J4	0.31
Power Factor	PF	E12 - J4	0.95
Composite Circuit Rating (kVA)	CCR	E12 - J4	150,000
BPI number (at base date)		E12 - J2	100
Start of Commencement Relevant Year			01/04/2013
End of Commencement Relevant Year			31/03/2014
Date of Asset Transfer (DD/MM/YYYY)			01/04/2013
Base Date (DD/MM/YYYY)			01/04/2013

Sheet '3a' Excluded and de minimis revenue

ofgem E-Serve **OFFSHORE TRANSMISSION - Reporting pack**
 Project: Demo sands
 OFTO: [Offshore transmission operator 1]
 Year: 2013-14

[Index](#)

3a. Excluded and de minimis revenue

Prepared by:
 Name of preparer: Excluded Services

Reviewed by: Please provide a list of all excluded services
 Name of reviewer:

	Activity Description	2013-14 £m	2012-13 £m
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
	Total	-	-

De Minimis Activities

Please provide a list of De Minimis Activities for all items

	Activity Description	2013-14 £m	2012-13 £m
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
	Total	-	-

Sheet '3b' Revenue reconciliation – current year

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack	
		Project: Demo sands	
		OFTO: [Offshore transmission operator 1]	
		Year: 2013-14	
Index			
3b. Revenue reconciliation - current year			
Prepared by:		£m	£m
<input type="text" value="Name of preparer"/>			
Reviewed by:	Actual revenue (AR_t)		-
<input type="text" value="Name of reviewer"/>			
<input type="checkbox"/> Reviewed	Other revenue Items		
	De-Minimis Turnover	-	
	Excluded Services	-	-
	Reconciling Items (please list)		
1	<input type="text"/>	<input type="text"/>	
2	<input type="text"/>	<input type="text"/>	
3	<input type="text"/>	<input type="text"/>	
4	<input type="text"/>	<input type="text"/>	
5	<input type="text"/>	<input type="text"/>	
6	<input type="text"/>	<input type="text"/>	
7	<input type="text"/>	<input type="text"/>	
	Total		-
	Turnover as per Profit and Loss		<input type="text"/>
	Check that reconciliation works		<input checked="" type="checkbox"/>
Commentary			
1	<input type="text"/>		
2	<input type="text"/>		
3	<input type="text"/>		
4	<input type="text"/>		
5	<input type="text"/>		
6	<input type="text"/>		
7	<input type="text"/>		

Sheet '3c' Revenue reconciliation – prior year

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack	
		Project: Demo sands	
		OFTO: [Offshore transmission operator 1]	
		Year: 2013-14	
Index			
3c. Revenue reconciliation - prior year			
Prepared by:			
Name of preparer		£m	£m
Reviewed by:	Allowed Revenue for prior year (2012-2013)		#N/A
Name of reviewer	Other revenue items (prior year)		
	De-Minimis Turnover		
	Excluded services		
	Other reconciling items (including all other revenue from transmission services) (please list)		
1			
2			
3			
4			
5			
6			
7			
	Total		#N/A
	Turnover as per Profit and Loss (Prior year)		
	Check that reconciliation works		<input type="checkbox"/>
	Commentary		
1			
2			
3			
4			
5			
6			
7			

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '2' Summary of all components of allowed revenue

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack																							
Project: Demo sands																									
OFTO: [Offshore transmission operator 1]																									
Year: 2013-14																									
2. Summary of all components of allowed revenue																									
Prepared by:																									
Name of licensee:		year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Reviewed by:		13/	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Name of review:		Allowed Offshore Transmission Owner Revenue term (£m)																							
OFTO:		-																							
OPRO: $OR_{t+1} = OR_t + PF_t + KA_t - K_t$		-																							
Base Revenue term (£m)		-																							
BASE:		-																							
$OR_t = ATR_t \times PR_t \times RTI_t$		-																							
Proportion of Revenue term		1.000																							
Retail Induction Adjustment Term		1.000																							
Adjusted Tender Revenue		0.000																							
$ATR_t = TRS_t + NSR_t + PTR_A$		-																							
Tender Revenue Stream term (£m, real)		-																							
Market Rate Adj. term (£m, real)		-																							
Post Tender Revenue Adj. term (£m, real)		-																							
$RTI_t = (OPRO_{t-1} - OPRO_t) / OPRO_t$		-																							
Pass Through term (£m)		-																							
$PT_t = LF_t + RB_t + CEL_t + DC_t + DAT_t + TPD_t + TCA_t + MCA_t$		-																							
Licence Fee cost adj. term (£m)		-																							
Rates for networks Business cost adj. term (£m)		-																							
Cross Estate Licence cost adj. term (£m)		-																							
Decommissioning Cost adj. term (£m)		-																							
Income Adjusting event adj. Term (£m)		-																							
Temporary Physical Disconnection term (£m)		-																							
Tender Cost Adj. term (£m)		-																							
Marine and Coastal Act 2009 adj. term (£m)		-																							
Performance Adj. (£m)		-																							
$PA_t = AI_t + ACA_t$		-																							
Availability Incentive term (£m)		-																							
$AI_t = BB_t \times AF_t$		0.00%																							
Availability Factor term (%)		0.00%																							
Base Revenue transmission (£m)		-																							
Proportion of Revenue		1.000																							
Incremental Capacity Incentive Adj. term (£m)		-																							
$ZCA_t = ZCUA_t + ZCUA_t$		-																							
Incremental Capacity Utilisation Adjustment term (£m)		-																							
$ZCUA_t = MAX(0, ZCRD_t \times ZCU_t)$		-																							
Incremental Capacity Revenue utilisation Driver (£/MW)		-																							
$ZCRD_t = RCF \times (BB_t / (OCR \times PR))$		0.31																							
RSE Compensation Factor (%)		0.31																							
Power Factor (%)		0.95																							
Composite Comp Rating (MW)		150,000																							
Incremental Capacity Utilisation term (%)		-																							
Additional Capacity Adjustment term (£m)		-																							
Retail Induction Adjustment Term		1.000																							
Correction factor on year to year revenue (£m)		-																							
$K_t = (AR_{t+1} - OPRO_{t+1}) \times (1 + I_t + PF_t \times AR_t) / ORO$		-																							
Regulated transmission revenue (£m)		-																							
Allowed transmission owner revenue (£m)		-																							
Interest rate (%)		0.50%																							
Penalty Interest (%)		0																							
Penalty Interest rate (%)		0.00%																							
Over/(Under) Recovery (=K _{tot}) (£m)		-																							
Month of asset transfer		4																							
Test for asset transfer in Jan-Mar		1																							

Appendix 2 – Forecast revenue return

Sheet '7' Summary of forecast allowed revenue

ofgem		OFFSHORE TRANSMISSION - Reporting pack	
ofgem E-Serve		Project:	Demo sands
		OFTO:	[Offshore transmission operator 1]
		Year:	2013-14

[Index](#)

7. Summary of forecast allowed revenue

Prepared by:

Reviewed by:

Reviewed

		Actual 2014	Forecast 2015
Allowed Offshore Transmission Owner Revenue term (£m) $OFTO_t$			
$OFTO_t = BR_t + PT_t + PA_t - K_t$			
Base Revenue term (£m) BR_t			
$BR_t = ATR_t \times PR_t \times RIT_t$			
Proportion of Revenue term	PR_t	1.000	-
Retail Indexation Adjustment Term	RIT_t	1.000	1.000
Adjusted Tender Revenue	ATR_t	-	-
$ATR_t = TRS_t + MRA_t + PTR_A_t$			
Tender Revenue Stream term (£m, real)	TRS_t	-	-
Market Rate Adj. term (£m, real)	MRA_t	-	-
Post Tender Revenue Adj. term (£m, real)	PTR_A_t	-	-
$RIT_t = (RPI \text{ September } t-1 / RPI \text{ base date})$			
Pass Through term (£m) PT_t			
$PT_t = LF_t + RB_t + CEL_t + DC_t + IAT_t + MCA_t + TCA_t + TPD_t$			
Licence Fee cost adj. term (£m)	LF_t	-	-
Rates for networks Business cost adj. term (£m)	RB_t	-	-
Crown Estate Licence cost adj term (£m)	CEL_t	-	-
Decommissioning Cost adj. term (£m)	DC_t	-	-
Income Adjusting event adj. Term (£m)	IAT_t	-	-
Temporary Physical Disconnection term (£m)	TPD_t	-	-
Tender Cost Adj. term (£m)	TCA_t	-	-
Marine and Coastal Act 2009 adj. term (£m)	MCA_t	-	-

		Actual 2014	Forecast 2015
Performance Adj. (£m) PA_t			
$PA_t = AI_t + ICA_t$			
Availability Incentive term (£m) AI_t			
$AI_t = BR_{t-1} \times AF_t$			
Availability Factor term (%) AF_t			
0.00% 0.00%			
Base Revenue term (£m) BR_t			
Proportion of Revenue term PR_t			
1.000 1.00			
Incremental Capacity Incentive Adj. term (£m) ICA_t			
$ICA_t = ICUA_t + (ACA_t \times RIT_t)$			
Incremental Capacity Utilisation Adjustment term (£m) $ICUA_t$			
$ICUA_t = MAX(0, ICRD_t \times ICU_t)$			
Incremental Capacity Revenue utilisation Driver (£/kW) $ICRD_t$			
$ICRD_t = RCF \times (BR_t / (CCR \times PF))$			
Risk Compensation Factor	RCF	0.31	0.31
Power Factor	PF	0.95	0.95
Composite Circuit Rating (kVA)	CCR	150,000	150,000
Incremental Capacity Utilisation term (kW)	ICU_t	-	-
Additional Capacity Adjustment term (£m)	ACA_t	-	-
Retail Indexation Adjustment Term	RIT_t	1.000	1.00
Correction factor on year to year revenue (£m) K_t			
$K_t = (AR_{t-1} - OFTO_{t-1}) \times (1 + (I_t + (PI_t \times AP_t)) / 100)$			
Regulated transmission revenue (£m) AR_t			
Allowed transmission owner revenue (£m) $OFTO_t$			
Interest rate (%) I_t			
0.50% 0.50%			
IF $AR_t > 1.04 \times OFTO_t$ then apply Penalty Interest			
Penalty Interest rate (%) PI_t			
0.00% 0.00%			
(Over/Under) Recovery (£m)			
-			

Appendix 3 – Availability incentive reporting

Sheet '5a' Planned outages

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack							
		Project:	Demo sands						
		OFTO:	[Offshore transmission operator 1]						
		Year:	2014						
5a. Planned outages									
		Date & time outage starts	Date & Time outage ends	Total reduction in capacity (MWhr)	Cable availability (as % of maximum)	Equipment on which fault occurred	Exclusion Requested	Description of Fault	Exclusion Approved by Authority
Prepared by:	1				n/a				
Name of preparer	2				n/a				
Reviewed by:	3				n/a				
Name of reviewer	4				n/a				
<input type="checkbox"/> Reviewed FALSE	5				n/a				
	6				n/a				
	7				n/a				
	8				n/a				
	9				n/a				
	10				n/a				
	11				n/a				
	12				n/a				
	13				n/a				
	14				n/a				
	15				n/a				
	16				n/a				
	17				n/a				
	18				n/a				
	19				n/a				
	20				n/a				
	21				n/a				
	22				n/a				
	23				n/a				
	24				n/a				
	25				n/a				
	26				n/a				
	27				n/a				
	28				n/a				
	29				n/a				
	30				n/a				
	31				n/a				
	32				n/a				

Sheet '5b' Unplanned outages

ofgem E-Serve	OFFSHORE TRANSMISSION - Reporting pack		
	Project:	Demo sands	
	OFTO:	[Offshore transmission operator 1]	
	Year:	2014	

5b. Unplanned outages

	Date & time of outage starts	Date & Time outage ends	Total reduction in capacity (MWhr)	Cable availability (as % of maximum)	Equipment on which fault occurred	Exclusion Requested	Description of Fault	Exclusion Approved by Authority
Prepared by:								
Name of preparer	1			n/a				
	2			n/a				
Reviewed by:	3			n/a				
Name of reviewer	4			n/a				
<input type="checkbox"/> Reviewed	5			n/a				
FALSE	6			n/a				
	7			n/a				
	8			n/a				
	9			n/a				
	10			n/a				
	11			n/a				
	12			n/a				
	13			n/a				
	14			n/a				
	15			n/a				
	16			n/a				
	17			n/a				
	18			n/a				
	19			n/a				
	20			n/a				
	21			n/a				
	22			n/a				
	23			n/a				
	24			n/a				
	25			n/a				
	26			n/a				
	27			n/a				
	28			n/a				
	29			n/a				
	30			n/a				
	31			n/a				
	32			n/a				

Sheet '5c' Outages the OFTO has requested to be excluded from availability incentive calculation

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #4f81bd; color: white; padding: 5px; border-radius: 10px;">ofgem E-Serve</div> <div style="text-align: center;"> OFFSHORE TRANSMISSION - Reporting pack Project: Demo sands OFTO: [Offshore transmission operator 1] Year: 2014 </div> </div>									
5c. Outages the OFTO has requested to be excluded from availability incentive calculation									
	Date & time of outage starts	Date & Time outage ends	Total reduction in capacity (MWhr)	Cable availability (as % of maximum)	Outage Type (Planned/Unplanned)	Equipment on which fault occurred	Exclusion Requested	Description of Fault	Exclusion Approved by Authority
Prepared by:									
Name of preparer	1			n/a					
	2			n/a					
Reviewed by:	3			n/a					
Name of review	4			n/a					
<input type="checkbox"/> Reviewed FALSE	5			n/a					
	6			n/a					
	7			n/a					
	8			n/a					
	9			n/a					
	10			n/a					
	11			n/a					
	12			n/a					
	13			n/a					
	14			n/a					
	15			n/a					
	16			n/a					
	17			n/a					
	18			n/a					
	19			n/a					
	20			n/a					
	21			n/a					
	22			n/a					
	23			n/a					
	24			n/a					
	25			n/a					
	26			n/a					
	27			n/a					
	28			n/a					
	29			n/a					
	30			n/a					
	31			n/a					
	32			n/a					

Sheet '4a' Monthly performance incentive calculations

ofgem E-Serve **OFFSHORE TRANSMISSION - Reporting pack**
 Project: **Demo sands**
 DFTO: **[Offshore transmission operator 1]**
 Year: **2014**

4a. Monthly performance incentive calculations

Prepared by:

Name of preparer	Year	Incentive Period y	Month	Days in month	Planned maintenance (MWhrs)	Unplanned Outage (MWhrs)	Reported System Incentive Performance (MWhrs)	Transmission System Incentive Rate	Monthly weighting term	Monthly Weighted Unavailability	Maximum Transmission System Availability (MWhr)	Monthly weighted maximum availabil
							RSIP _y	RI _y	W _y	MWU _y	TC _y	
Reviewed by:								TC _y - RSIP		RI _y x W _y	min(TC _y , MCL) * 24 * Days in month	W _y x TC _y
Name of reviewer	2013	3	1	31			111,600	0.0	100.0%	0.0	111,600	111,60
<input type="checkbox"/> Internal	2013	3	2	28			100,800	0.0	100.0%	0.0	100,800	100,80
	2013	3	3	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2013	3	4	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2013	3	5	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2013	3	6	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2013	3	7	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2013	3	8	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2013	3	9	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2013	3	10	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2013	3	11	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2013	3	12	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	1	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	2	28			100,800	0.0	100.0%	0.0	100,800	100,80
	2014	3	3	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	4	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2014	3	5	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	6	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2014	3	7	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	8	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	9	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2014	3	10	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2014	3	11	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2014	3	12	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	1	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	2	28			100,800	0.0	100.0%	0.0	100,800	100,80
	2015	4	3	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	4	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2015	4	5	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	6	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2015	4	7	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	8	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	9	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2015	4	10	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2015	4	11	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2015	4	12	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2016	5	1	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2016	5	2	29			104,400	0.0	100.0%	0.0	104,400	104,40
	2016	5	3	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2016	5	4	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2016	5	5	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2016	5	6	30			108,000	0.0	100.0%	0.0	108,000	108,00
	2016	5	7	31			111,600	0.0	100.0%	0.0	111,600	111,60
	2017	7	4	31			111,600	0.0	100.0%	0.0	111,600	111,60

Sheet '4b' Annual performance incentive calculations

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 10px; font-weight: bold;">ofgem E-Serve</div> <div style="text-align: center;"> OFFSHORE TRANSMISSION - Reporting pack Project: Demo sands OFTO: [Offshore transmission operator 1] Year: 2014 </div> </div>															
4b. Annual performance incentive calculations															
Prepared by:															
Name of preparer	Incentive Period y / Relevant year t	Year	Annual weighted unavailability	Weighted total possible availability	Total annual unavailability	Proportion of Revenue	Annual penalty unavailability cap	Annual credit unavailability cap	Total cap on unavailability	Brought forward from last year	Accrued unavailability	Paid out (amortised)	To carry forward to next year	Availability factor	
			WU_y	MA_y	TU_y	PR_{t-1}	$PCAP_y$	$CCAP_y$	$TCAP_y$	BF_y	AU_y	PO_y	CF_y	AF_y	
Reviewed by:			$SUM(MWU_{i,y} \text{ for } i=1 \text{ to } i=12)$	$SUM(TC_{i,y} \times W_i \text{ for } i=1 \text{ to } i=12)$	WU_y / MA_y	(as inputted previously)	$4\% * PR_{t-1}$	$2\% * PR_{t-1}$	$SUM(PCAP_y \text{ for } y, y+1) + CCAP_y$	CF_{y-1}	minimum($TU_y, TCAP_y - BF_y$)	minimum($PCAP_y + CCAP_y, BF_y + AU_y$)	$AU_y + BF_y - PO_y$	$(CCAP_y - PO_y) \times (RCAP / PCAP_y)$	
Name of reviewer															
<input type="checkbox"/> Reviewed	2	2013	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	3	2014	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	4	2015	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	5	2016	-	1,317,600	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	6	2017	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	7	2018	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	8	2019	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	9	2020	-	1,317,600	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	10	2021	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	11	2022	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	12	2023	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	13	2024	-	1,317,600	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	14	2025	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	15	2026	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	16	2027	-	1,314,000	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	17	2028	-	1,317,600	-	1.00	4.00%	2.00%	22%	0.00%	0.00%	0.00%	0.00%	5.00%	
	18	2029	-	1,314,000	-	1.00	4.00%	2.00%	18%	0.00%	0.00%	0.00%	0.00%	5.00%	
	19	2030	-	1,314,000	-	1.00	4.00%	2.00%	14%	0.00%	0.00%	0.00%	0.00%	5.00%	
	20	2031	-	1,314,000	-	1.00	4.00%	2.00%	10%	0.00%	0.00%	0.00%	0.00%	5.00%	
	21	2032	-	1,317,600	-	1.00	4.00%	2.00%	6%	0.00%	0.00%	0.00%	0.00%	5.00%	
	22	2033	-	1,314,000	-	-	-	0.00%	0.00%	0%	0.00%	0.00%	0.00%	#DIV/0!	
	23	2034	-	-	324,000	-	-	0.00%	0.00%	0%	0.00%	0.00%	0.00%	0.00%	#DIV/0!

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '2' Summary of all components of allowed revenue (including availability performance)

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack																								
Project: Demo sands																										
OPTO: [Offshore transmission operator 1]																										
Year: 2013-14																										
2. Summary of all components of allowed revenue																										
Prepared by:		year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Name of licensee:		13/	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Reviewed by:																										
Name of review:	Allowed Offshore Transmission Owner Revenue term (£m)	OPTO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<input type="checkbox"/> General	$OPRO = BR + PF + RA - R_1$																									
<input type="checkbox"/> FALSE	Base Revenue term (£m)	BR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$BR = ATR_1 \times PR_1 \times RT_1$																									
	Proportion of Revenue term	PR	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
	Retail Indexation Adjustment Term	RT1	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
	Adjusted Tender Revenue	ATR1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
	$ATR_1 = TRS_1 - NSR_1 + PTR_1A$																									
	Tender Revenue Stream term (£m, real)	TRS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Market Rate Adj. term (£m, real)	NSR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Post Tender Revenue Adj. term (£m, real)	PTRA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$RT_1 = (PR1/RT1) \times (RT1/RT1)$																									
	Pass Through term (£m)	PF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$PF_1 = LF_1 + RB_1 + CE_1 + DC_1 + DAT_1 + TRD_1 + TCA_1 + MCA_1$																									
	License Fee cost adj. term (£m)	LF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Rates for networks Business cost adj. term (£m)	RB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Crown Estate Licence cost adj. term (£m)	CE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Decommissioning Cost adj. term (£m)	DC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Income Adjusting event adj. Term (£m)	DAT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Temporary Physical Disconnection term (£m)	TRD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Tender Cost Adj. term (£m)	TCA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Marine and Coastal Act 2009 adj. term (£m)	MCA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Performance Adj. (£m)	PA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$PA_1 = AI_1 + ACA_1$																									
	Availability Incentive term (£m)	AI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$AI_1 = BR_1 \times AF_1$																									
	Availability Factor term (%)	AF	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Base Revenue transmission (£m)	BR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Proportion of Revenue	PR	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
	Incremental Capacity Incentive Adj. term (£m)	ICA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$ICA_1 = ICAU_1 - (ACA_1 \times RT_1)$																									
	Incremental Capacity Utilisation Adjustment term (£m)	ICUA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$ICUA_1 = MAX(0, ICAU_1 - ICAU_1)$																									
	Incremental Capacity Revenue utilisation Driver (£/SW)	ICRD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$ICRD_1 = ICRP_1 / (ICU_1 \times PR_1)$																									
	Size Compensation Factor (F)	ICF	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	
	Power Factor (F)	ICP	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	
	Capacity Comp. Rating (SW)	ICR	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	
	Incremental Capacity Utilisation term (%)	ICU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Additional Capacity Adjustment term (£m)	ACA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Retail Indexation Adjustment Term	RT1	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
	Correction factor on year to year revenue (£m)	K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	$K_1 = (AR_{13} - OPRO_{13}) \times (1 + I_1 + PF_1 \times AF_1) / ORO$																									
	Regulated transmission revenue (£m)	AR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Allowed transmission owner revenue (£m)	OPTO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Interest rate (%)	I	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
	If AR > 1.04 x OPTO then apply Penalty Interest (£)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Penalty Interest rate (%)	PI	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	Over/(Under) Recovery (=K ₁) (£m)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Month of asset transfer			4																							
Test for asset transfer in Jan-Mar			1																							

Appendix 4 – Incremental capacity incentive reporting

Sheet '1' Inputs

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack	
Project:	Demo sands		
OFTO:	[Offshore transmission operator 1]		
Year:	2013-14		

1. Inputs

Prepared by:		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Name of preparer																								
Reviewed by:																								
Name of reviewer	Actual Revenue from NETSO (£m)	AR _t	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<input type="checkbox"/> reviewed	Retail Price Index Number (September t)		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
FALSE																								
	License Fee cost adj. (£m)	LF _t																						
	Network Rates cost adj. (£m)	NR _t																						
	Crown Estate Lease cost adj. (£m)	CEL _t																						
	Decommissioning Cost adj. (£m)	DC _t																						
	Income Adjusting event revenue adj. term (£m)	IAT _t																						
	Temporary Physical Disconnection term (£m)	TPD _t																						
	Tender Cost Adj. term (£m)	TCA _t																						
	Marine and Coastal Act 2009 adj. (£m)	MCA _t																						
	Incremental Capacity Utilisation adjustment (kW)	ICU _t																						
	Additional Capacity Adjustment (£m)	ACA _t																						
	Average specified interest rate (%)	i _t	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
	Tender Revenue Stream (£m, real)	TR _t	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Market Rate revenue Adj. (£m, real)	MRA _t	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Post Tender Revenue Adj. (£m, real)	PTRA _t	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Proportion of Revenue term	PR _t	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Defined terms from Annex A to Condition E12 - J4

Month	License Condition	1	2	3	4	5	6	7	8	9	10	11	12
		January	February	March	April	May	June	July	August	September	October	November	December
W	E12 - J4	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Defined terms from amended standard condition E12 - J2 and E12 - J4

Description	Name	License Condition	Value
Tender Revenue Stream	TR		-
TEC (MW)	TEC	E12 - J4	150.0
Normal Capability Limits (MW)	NCL	E12 - J4	
Revenue Impact Lim	RICAP	E12 - J4	10.00%
Target Availability	TA	E12 - J4	98.00%
Penalty Interest Rate	PI	E12 - J2	4.00%
Penalty Application Level	PL	E12 - J2	4.00%
Risk Compensation Factor	RCF	E12 - J4	0.31
Damage Factor	DF	E12 - J4	0.95
Composite Credit Rating (CVA)	CVR	E12 - J4	150.000
BPI number (at base date)	BPI	E12 - J2	100
Start of Commencement Relevant Year			01/04/2013
End of Commencement Relevant Year			31/03/2014
Date of Asset Transfer (DD/MM/YYYY)			01/04/2013
Base Date (DD/MM/YYYY)			01/04/2013

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '2' Summary of all components of allowed revenue (including availability performance)

OFFSHORE TRANSMISSION - Reporting pack																									
Project: Demo assets																									
OFTO: [Offshore transmission operator 1]																									
Year: 2013-14																									
2. Summary of all components of allowed revenue																									
Prepared by:	year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Name of reviewer:		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Reviewed by:	Allowed Offshore Transmission Owner Revenue term (£m)																								
FALSE	OFTO ₁ = BR ₁ + PF ₁ + PA ₁ + A ₁																						#DIV/0!	#DIV/0!	
	Base Revenue term (£m)																								
	BR ₁ = ATB ₁ + RB ₁ + RT ₁																								
	Proportion of Revenue term	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
	Retail Induction Adjustment Term	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
	Adjusted Tender Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
	ATB ₁ = TRS ₁ + MRA ₁ + PTR ₁																								
	Tender Revenue Stream term (£m, real)																								
	Marked Rate Adj. term (£m, real)																								
	Post Tender Revenue Adj. term (£m, real)																								
	RT ₁ = (200Revenue I/O RT) (see note)																								
	Plus Through term (£m)																								
	PT ₁ = LF ₁ + RB ₁ + CE ₁ + DC ₁ + DAT ₁ + TPD ₁ + TCA ₁ + NCA ₁																								
	License Fee cost adj. term (£m)																								
	Rate for network Business cost adj. term (£m)																								
	Crown Estate Licence cost adj. term (£m)																								
	Decommissioning Cost adj. term (£m)																								
	Income Adjusting event adj. term (£m)																								
	Temporary Physical Disconnection term (£m)																								
	Tender Cost Adj. term (£m)																								
	Marine and Coastal Act 2009 adj. term (£m)																								
	Performance Adj. (£m)																								
	PA ₁ = A ₁ + ACA ₁																								
	Availability Incentive term (£m)																								
	A ₁ = BR ₁ × A ₁ ^F	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Base Revenue transmission (£m)																								
	Proportion of Revenue	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
	Incremental Capacity Incentive Adj. term (£m)																								
	ICA ₁ = ICA ₁ × (ACA ₁ × RT ₁)																								
	Incremental Capacity Utilisation Adjustment term (£m)																								
	Incremental Capacity Revenue Utilization Driver (£/GW)																								
	ICRU ₁ = (BR ₁ / ICA ₁) × (RT ₁ × PF)	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31		
	Power Factor (%)	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95		
	Incremental Capacity Utilisation term (£m)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000		
	Additional Capacity Adjustment term (£m)																								
	ACA ₁																								
	Retail Induction Adjustment Term	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
	Correction factor on year to year revenue (£m)																								
	K ₁ = (AR ₁ - OFTO ₁) × (1 + I ₁) + (PA ₁ × AR ₁) / 100																								
	Regulated transmission revenue (£m)																								
	Allowed transmission owner revenue (£m)																								
	Interest rate (%)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%		
	If AR ₁ > 1.04 × OFTO ₁ then apply Penalty Interest (%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Penalty Interest rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Over/(Under) Recovery (=K ₁) (£m)																								
	Month of asset transfer																								
	Test for asset transfer in Jan-Mar																								

Appendix 5 – Cost reporting templates

Sign off

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack	
		Project:	Demo sands
		OFTO:	[Offshore transmission operator 1]
		Year:	2013-14
Sign off			
Declaration			
<i>The below declaration is to be signed off by a director of the licensee.</i>			
Amended Standard Condition E12 - D1 of the Offshore Transmission Licence paragraph 3 requires (amongst other things) that the licensee establish and maintain such systems and processes as necessary to ensure that 'the information collected and reported to the Authority is in all material respects accurate and complete and is fairly presented' and prepared in accordance with the regulatory instructions and guidance.			
I, [Name of director], confirm that [Offshore transmission operator 1] is compliant with Amended Standard Condition E12 - D1 of its licence			
I also confirm that I am aware that section 59 of the Electricity Act 1989 provides that a person commits an offence if, in giving any information or ... for the purpose of any provision of this Part [1] ... he makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular.			
I also confirm that I am aware that Section 108 of the Electricity Act 1989 makes it possible for a director/officer to be guilty of an offence committed by a body corporate where it is committed with the 'consent...of that person'.			
Name:	[Name of director]		
Position:			
Date:			
Reviewed	Section	Prepared by	Reviewed by
x	1. Inputs	Name of preparer	Name of reviewer
x	2. Summary of all components of allowed revenue	Name of preparer	Name of reviewer
x	3a. Excluded and de minimis revenue	Name of preparer	Name of reviewer
x	3b. Total revenue (including excluded services)	Name of preparer	Name of reviewer
x	3c. Reconciliation between OFTO's Regulated Revenue and Allowed Revenue (AR)	Name of preparer	Name of reviewer
x	4a. Monthly performance incentive calculations	Name of preparer	Name of reviewer
x	4b. Annual performance incentive calculations	Name of preparer	Name of reviewer
x	5a. Planned outages	Name of preparer	Name of reviewer
x	5b. Unplanned outages	Name of preparer	Name of reviewer
x	5c. Outages the OFTO has requested be excluded from availability incentive calculation	Name of preparer	Name of reviewer
x	6. Basis for TRS	Name of preparer	Name of reviewer
x	7. Summary of forecast allowed revenue	Name of preparer	Name of reviewer
x	8. Operating costs	Name of preparer	Name of reviewer
x	9. Financing - Equity and intercompany debt	Name of preparer	Name of reviewer
x	10. Financing - senior debt	Name of preparer	Name of reviewer
x	11. Financing - bonds	Name of preparer	Name of reviewer
x	12. Financing - derivatives and other	Name of preparer	Name of reviewer
x	13. Tax	Name of preparer	Name of reviewer
x	14. Statement of comprehensive income	Name of preparer	Name of reviewer
x	15. Statement of financial position	Name of preparer	Name of reviewer
x	16. Cash flow statement	Name of preparer	Name of reviewer
x	17. Financial ratios	Name of preparer	Name of reviewer
x	18. Reconciliation of internally consistent figures	N/a	Name of reviewer
x	19. Reconciliation to statutory accounts	Name of preparer	Name of reviewer

Universal data

ofgem E-Serve	OFFSHORE TRANSMISSION - Reporting pack
Project: Demo sands	
OFTO: [Offshore transmission operator 1]	
Year: 2013-14	

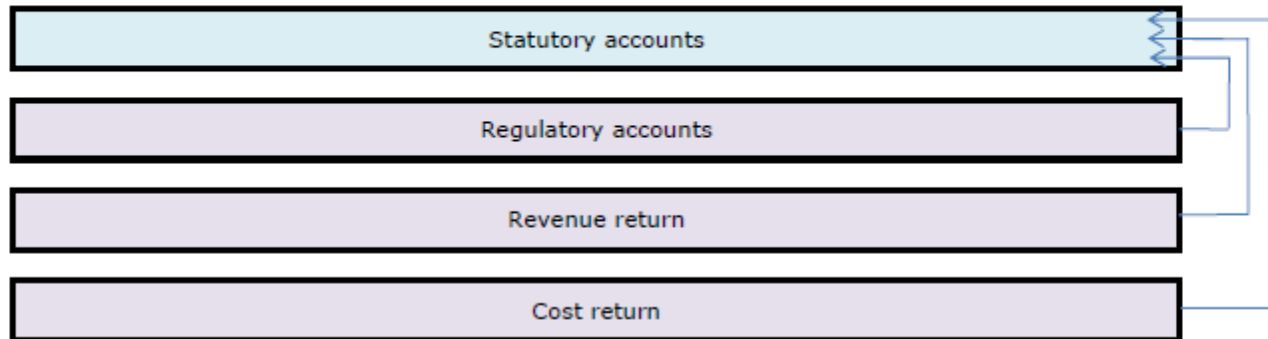
[Index](#)

Universal data

Prepared by:

Name of preparer	Company number:
	Company name:
Reviewed by:	Company short name:
Name of reviewer	Project:
	Reporting year: (enter 2014 for 2013/14)
	Version (number):
	Submitted date:
	Date to which last statutory accounts were made up:

[Offshore transmission operator 1]
OFTO1
Demo sands
2014
31 December 2012



All tables reconcile to statutory accounts

Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2

Sheet 8 Operating costs

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack																					
		Project: Demo sands																					
		OPTO: (Offshore transmission operator 1)																					
		Year: 2013-14																					
8. Operating costs		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Prepared by:	For the year ending 31st March:	3 d.p.																					
Name of preparer:	Income	£m																					
Reviewed by:	Revenue	£m																					
Name of reviewer:	Other operating Income	£m																					
<input type="checkbox"/> Reviewed	Total Income	£m																					
	Total operating costs (excl. depreciation)	£m																					
	EBITDA	£m																					
	Taxation	£m																					
	EBITDA	£m																					
	Operating and maintenance costs																						
	Ongoing O&M (planned)	£m																					
	Reactive maintenance (unplanned)	£m																					
	Total O&M	£m																					
	Insurance																						
	Insurance type																						
	Insurance costs																						
	Overall costs																						
	Premium excluding IPT	£m																					
	Insurance Premium Tax (IPT)	£m																					
	Broker fees	£m																					
	Other - please specify	£m																					
	Other - please specify	£m																					
	Sub total	£m																					
	Other Insurance Costs and risk contingencies applied																						
	Property damage "all risks" insurance																						
	Onshore	£m																					
	Offshore	£m																					
	Sub-sea cable	£m																					
	Business Interruption Insurance	£m																					
	Third Party Public & Products Liability Insurance	£m																					
	Insurances required by law/ other	£m																					
	Sub total	£m																					
	Total insurance cost	£m																					
	Insurance memo items																						
	Property damage "all risks" insurance																						
	Onshore																						
	Sum Insured/Rateable Factor*	£m																					
	Deductible*	£m																					
	Offshore																						
	Sum Insured/Rateable Factor*	£m																					
	Deductible*	£m																					
	Sub-sea cable																						
	Sum Insured/Rateable Factor*	£m																					
	Deductible*	£m																					
	Business Interruption Insurance																						
	Sum Insured/Rateable Factor*	£m																					
	Deductible*	£m																					
	Third Party Public & Products Liability Insurance																						
	Sum Insured/Rateable Factor*	£m																					
	Deductible*	£m																					
	Insurances required by law/ other																						
	Sum Insured/Rateable Factor*	£m																					
	Deductible*	£m																					
	Decommissioning																						
	Decommissioning cost - accruals basis	£m																					
	Decommissioning cost - cash basis	£m																					

Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2

ofgem E-Serve

OFFSHORE TRANSMISSION - Reporting pack

Project: Demo sands
OFTO: [Offshore transmission operator 1]
Year: 2013-14

[Index](#)

Prepared by:

8. Operating costs
For the year ending 31st March:

SPV costs

- SPV Management
- Accounting
- Tax
- Legal
- Licence fees
- Network rates
- Crown Estate lease costs
- Other rates
- Ratings surveillance
- Office & Property Costs
- Travel & Subsistence
- IT, Telephony, Printing and Stationery
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Total SPV cost

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
SPV Management																						
Accounting																						
Tax																						
Legal																						
Licence fees																						
Network rates																						
Crown Estate lease costs																						
Other rates																						
Ratings surveillance																						
Office & Property Costs																						
Travel & Subsistence																						
IT, Telephony, Printing and Stationery																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total SPV cost																						

Replacement costs

- Replacement expenditure - Offshore platform**
- Other - please overwrite
 - Other - please overwrite
 - Other - please overwrite
 - Other - please overwrite
 - Other - please overwrite
 - Total offshore platform

Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total offshore platform																						

Replacement expenditure - Onshore to offshore transfer

- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Total onshore to offshore transfer

Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total onshore to offshore transfer																						

Replacement expenditure - Onshore cable works

- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Total onshore cable works

Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total onshore cable works																						

Replacement expenditure - Onshore substation

- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Total onshore substation

Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total onshore substation																						

Total replacement costs

Total replacement costs																						
-------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Bid costs

- Success fees
- Financial advice
- Legal advice
- Technical advice
- Other professional advice
- Contingency
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Total bid costs

Success fees																						
Financial advice																						
Legal advice																						
Technical advice																						
Other professional advice																						
Contingency																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total bid costs																						

Other costs

- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Other - please overwrite
- Total other costs

Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Total other costs																						

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '9' Equity and intercompany debt

ofgem E-Serve		OFFSHORE TRANSMISSION - Reporting pack																			
		Project: Demo sands																			
		OFTO: [Offshore transmission operator 1]																			
		Year: 2013-14																			
Index																					
9. Financing - Equity and intercompany debt																					
Prepared by:		For the year ending 31st March:																			
Name of preparer:																					
Reviewed by:																					
Name of reviewer:																					
<input type="checkbox"/> Reviewed																					
		3 d.p.																			
		2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034																			
Equity																					
Equity in issue - b/f (enter as +ve)		£m																			
Equity injection (enter as +ve)		£m																			
Equity redemption (enter as -ve)		£m																			
Equity in issue - c/f		£m																			
Dividends declared		£m																			
Intercompany debt - tranche 1																					
Overwrite with name of tranche																					
Interest rate		%																			
Amount issued		£m																			
Issue date		dd/mm/yy																			
Maturity		dd/mm/yy																			
Intercompany debt in issue - b/f (enter as +ve)		£m																			
Intercompany debt issued (enter as +ve)		£m																			
Intercompany debt interest rolled up (enter as +ve)		£m																			
Intercompany debt repaid (enter as -ve)		£m																			
Intercompany debt in issue - c/f		£m																			
Interest payments (enter as +ve)		£m																			
Intercompany debt - tranche 2																					
Overwrite with name of tranche																					
Interest rate		%																			
Amount issued		£m																			
Issue date		dd/mm/yy																			
Maturity		dd/mm/yy																			
Intercompany debt in issue - b/f (enter as +ve)		£m																			
Intercompany debt issued (enter as +ve)		£m																			
Intercompany debt interest rolled up (enter as +ve)		£m																			
Intercompany debt repaid (enter as -ve)		£m																			
Intercompany debt in issue - c/f		£m																			
Interest payments (enter as +ve)		£m																			
Intercompany debt - tranche 3																					
Overwrite with name of tranche																					
Interest rate		%																			
Amount issued		£m																			
Issue date		dd/mm/yy																			
Maturity		dd/mm/yy																			
Intercompany debt in issue - b/f (enter as +ve)		£m																			
Intercompany debt issued (enter as +ve)		£m																			
Intercompany debt interest rolled up (enter as +ve)		£m																			
Intercompany debt repaid (enter as -ve)		£m																			
Intercompany debt in issue - c/f		£m																			
Interest payments (enter as +ve)		£m																			
Intercompany debt - total																					
Intercompany debt in issue - b/f (enter as +ve)		£m																			
Intercompany debt issued (enter as +ve)		£m																			
Intercompany debt interest rolled up (enter as +ve)		£m																			
Intercompany debt repaid (enter as -ve)		£m																			
Intercompany debt in issue - c/f		£m																			
Interest payments (enter as +ve)		£m																			

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

ofgem E-Serve **OFFSHORE TRANSMISSION - Reporting pack**
 Project: **Demo sands**
 OFTO: **[Offshore transmission operator 1]**
 Year: **2013-14**

[Index](#)

9. Financing - Equity and intercompany debt

Prepared by: _____

For the year ending 31st March:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debt raised by holding companies																					
This section is only relevant where external special purpose finance is raised by a holding company and on-lent to the licensee.																					
Name of holding company	[HoldCo]																				
Value of [HoldCo]'s receivable from	£m																				
Value of 's payable to [HoldCo]	£m																				
Parties to debts																					
Please identify which entities are party to the debts detailed in this reporting template																					
Intercompany debt - tranche 1																					
Intercompany debt - tranche 2																					
Intercompany debt - tranche 3																					
Senior debt - tranche 1																					
Senior debt - tranche 2																					
Senior debt - tranche 3																					
Senior debt - tranche 4																					
Senior debt - tranche 5																					
Bond 1																					
Bond 2																					
Bond 3																					
Swap 1																					
Swap 2																					
Swap 3																					
Other derivative 1																					
Other derivative 2																					
Other instrument 1																					
Other instrument 2																					
Other instrument 3																					

Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2

Sheet '10' Financing – senior debt

ofgem		OFFSHORE TRANSMISSION - Reporting pack																				
ofgem E-Serve		Project: Demo sands OFTO: [Offshore transmission operator 1] Year: 2013-14																				
Index																						
10. Financing - senior debt		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prepared by:	For the year ending 31st March:	3 d.p.																				
Name of preparer:																						
Reviewed by:	Senior debt - tranche 1																					
Name of reviewer:	Overwrite with name of tranche																					
<input type="checkbox"/> Revised																						
Interest rate (margin)	%																					
Amount issued	£m																					
Issue date	dd/mm/yy																					
Maturity	dd/mm/yy																					
LIBOR	%																					
Senior debt in issue - b/f (enter as +ve)	£m																					
Senior debt issued (enter as +ve)	£m																					
Senior debt interest rolled up (enter as +ve)	£m																					
Senior debt repaid (enter as -ve)	£m																					
Senior debt in issue - c/f	£m																					
Interest payments (enter as +ve)	£m																					
Senior debt - tranche 2																						
Overwrite with name of tranche																						
Interest rate (margin)	%																					
Amount issued	£m																					
Issue date	dd/mm/yy																					
Maturity	dd/mm/yy																					
LIBOR	%																					
Senior debt in issue - b/f (enter as +ve)	£m																					
Senior debt issued (enter as +ve)	£m																					
Senior debt interest rolled up (enter as +ve)	£m																					
Senior debt repaid (enter as -ve)	£m																					
Senior debt in issue - c/f	£m																					
Interest payments (enter as +ve)	£m																					
Senior debt - tranche 3																						
Overwrite with name of tranche																						
Interest rate (margin)	%																					
Amount issued	£m																					
Issue date	dd/mm/yy																					
Maturity	dd/mm/yy																					
LIBOR	%																					
Senior debt in issue - b/f (enter as +ve)	£m																					
Senior debt issued (enter as +ve)	£m																					
Senior debt interest rolled up (enter as +ve)	£m																					
Senior debt repaid (enter as -ve)	£m																					
Senior debt in issue - c/f	£m																					
Interest payments (enter as +ve)	£m																					
Senior debt - tranche 4																						
Overwrite with name of tranche																						
Interest rate (margin)	%																					
Amount issued	£m																					
Issue date	dd/mm/yy																					
Maturity	dd/mm/yy																					
LIBOR	%																					
Senior debt in issue - b/f (enter as +ve)	£m																					
Senior debt issued (enter as +ve)	£m																					
Senior debt interest rolled up (enter as +ve)	£m																					
Senior debt repaid (enter as -ve)	£m																					
Senior debt in issue - c/f	£m																					
Interest payments (enter as +ve)	£m																					

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

ofgem		OFFSHORE TRANSMISSION - Reporting pack																					
ofgem E-Serve		Project:	Demo sands																				
		OFTO:	[Offshore transmission operator 1]																				
		Year:	2013-14																				
Index																							
Prepared by:	10. Financing - senior debt	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
	For the year ending 31st March:																						
	Senior debt - tranche 5																						
	Overwrite with name of tranche																						
	Interest rate (margin)	%																					
	Amount issued	£m																					
	Issue date	dd/mm/yy																					
	Maturity	dd/mm/yy																					
	LIBOR	%																					
	Senior debt in issue - b/f (enter as +ve)	£m																					
	Senior debt issued (enter as +ve)	£m																					
	Senior debt interest rolled up (enter as +ve)	£m																					
	Senior debt repaid (enter as -ve)	£m																					
	Senior debt in issue - c/f	£m																					
	Interest payments (enter as +ve)	£m																					
	Senior debt - total																						
	Senior debt in issue - b/f (enter as +ve)	£m																					
	Senior debt issued (enter as +ve)	£m																					
	Senior debt interest rolled up (enter as +ve)	£m																					
	Senior debt repaid (enter as -ve)	£m																					
	Senior debt in issue - c/f	£m																					
	Interest payments (enter as +ve)	£m																					

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '11' Financing - bonds

ofgem OFFSHORE TRANSMISSION - Reporting pack
ofgem E-Serve
 Project: Demo sands
 OFTO: [Offshore transmission operator 1]
 Year: 2013-14

11. Financing - bonds
 For the year ending 31st March:



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prepared by:	3 d.p.																				
Name of preparer																					
Reviewed by:																					
Name of reviewer	Overwrite with description of bond																				
<input type="checkbox"/> reviewed																					
Coupon	%																				
Bond size	£m																				
Issue date	dd/mm/yy																				
Maturity	dd/mm/yy																				
Bonds in issue - b/f (enter as +ve)	£m																				
Bond issuance (enter as +ve)	£m																				
Unpaid coupons rolled up (enter as +ve)	£m																				
Indexation adjustment	£m																				
Bond redemption (enter as -ve)	£m																				
Bond outstanding - c/f	£m																				
Coupon payments (enter as +ve)	£m																				
Bond 2																					
Overwrite with description of bond																					
Coupon	%																				
Bond size	£m																				
Issue date	dd/mm/yy																				
Maturity	dd/mm/yy																				
Bonds in issue - b/f (enter as +ve)	£m																				
Bond issuance (enter as +ve)	£m																				
Unpaid coupons rolled up (enter as +ve)	£m																				
Indexation adjustment	£m																				
Bond redemption (enter as -ve)	£m																				
Bond outstanding - c/f	£m																				
Coupon payments (enter as +ve)	£m																				
Bond 3																					
Overwrite with description of bond																					
Coupon	%																				
Bond size	£m																				
Issue date	dd/mm/yy																				
Maturity	dd/mm/yy																				
Bonds in issue - b/f (enter as +ve)	£m																				
Bond issuance (enter as +ve)	£m																				
Unpaid coupons rolled up (enter as +ve)	£m																				
Indexation adjustment	£m																				
Bond redemption (enter as -ve)	£m																				
Bond outstanding - c/f	£m																				
Coupon payments (enter as +ve)	£m																				
Total bonds																					
Bonds in issue - b/f (enter as +ve)	£m																				
Bond issuance (enter as +ve)	£m																				
Unpaid coupons rolled up (enter as +ve)	£m																				
Indexation adjustment	£m																				
Bond redemption (enter as -ve)	£m																				
Total bonds in issue - c/f	£m																				
Coupon payments (enter as +ve)	£m																				

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '12' Financing – derivatives and other

ofgem		OFFSHORE TRANSMISSION - Reporting pack													
ofgem E-Serve		Project:	Demo sands												
Index		OFTO:	[Offshore transmission operator 1]												
		Year:	2013-14												
12. Financing - derivatives and other		3 d.p.													
Prepared by:		For the year ending 31st March:													
Name of preparer															
Reviewed by:															
Name of reviewer															
<input type="checkbox"/> Interest															
Swap 1															
Overwrite with description of swap															
Swap type		← Swap types Interest rate swap RPI swap Other - please specify													
Swap underwriter(s)															
Fixed rate		%													
Floating rate		%													
Amount swapped		£m													
Issue date		dd/mm/yy													
Maturity		dd/mm/yy													
Cash flows payable under swap (-ve)		£m													
Cash flows receivable under swap (+ve)		£m													
Net cash flow under swap		£m													
Appropriate discount rate for swap 1		%													
Present value of cashflow		£m													
Fair value of swap 1		£m													
Swap 2															
Overwrite with description of swap															
Swap type		← Swap types Interest rate swap RPI swap Other - please specify													
Swap underwriter(s)															
Fixed rate		%													
Floating rate		%													
Amount swapped		£m													
Issue date		dd/mm/yy													
Maturity		dd/mm/yy													
Cash flows payable under swap (-ve)		£m													
Cash flows receivable under swap (+ve)		£m													
Net cash flow under swap		£m													
Appropriate discount rate for swap 2		%													
Present value of cashflow		£m													
Fair value of swap 2		£m													
Swap 3															
Overwrite with description of swap															
Swap type		← Swap types Interest rate swap RPI swap Other - please specify													
Swap underwriter(s)															
Fixed rate		%													
Floating rate		%													
Amount swapped		£m													
Issue date		dd/mm/yy													
Maturity		dd/mm/yy													
Cash flows payable under swap (-ve)		£m													
Cash flows receivable under swap (+ve)		£m													
Net cash flow under swap		£m													
Appropriate discount rate for swap 3		%													
Present value of cashflow		£m													
Fair value of swap 3		£m													
Other derivative 1															
Overwrite with description of derivative															
Fair value		£m													
Other derivative 2															
Overwrite with description of derivative															
Fair value		£m													
Other instrument 1															
Overwrite with description of instrument															
Fair value		£m													
Other instrument 2															
Overwrite with description of instrument															
Fair value		£m													
Other instrument 3															
Overwrite with description of instrument															
Fair value		£m													

Sheet '13' Tax

		OFFSHORE TRANSMISSION - Reporting pack	
		Project:	Demo sands
		OFTO:	[Offshore transmission operator 1]
		Year:	2013-14
Index	13. Tax		
Prepared by:	<div style="border: 1px solid black; padding: 5px;">The licensee should provide a copy of the CT600 (or successor form) they have most recently submitted to HMRC. We accept that this means there will be a delay between the period to which the return relates and its eventual submission. Screenshots covering this document should be provided below also.</div>		
Name of preparer			
Reviewed by:			
Name of reviewer			
<input type="checkbox"/> Reviewed			


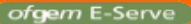
Offshore Transmission Regulatory Instructions and Guidance: Transitional Tender Round 2

Sheet '14' Statement of comprehensive income

ofgem		OFFSHORE TRANSMISSION - Reporting pack																				
ofgem E-Serve		Project: Demo sands																				
		OFTO: [Offshore transmission operator 1]																				
		Year: 2013-14																				
Index																						
14. Statement of comprehensive income		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prepared by:	For the year ending 31st March:																					
Name of preparer:	GAAP used (UK or IFRS)				IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Reviewed by:	Accounting treatment																					
Name of reviewer:	Other accounting treatment (if applicable)																					
<input type="checkbox"/> Reviewed	Convention: (debit)/credit	3 d.p.																				
	Revenue	£m																				
	Other operating income	£m																				
	Operating costs																					
	Depreciation of operational assets	£m																				
	Depreciation of non-operational assets	£m																				
	IFRIC 12 amortisation	£m																				
	OBM costs	£m																				
	Insurance costs	£m																				
	Decommissioning costs	£m																				
	SPV costs	£m																				
	Replacement costs	£m																				
	Bid costs	£m																				
	Other costs	£m																				
	Total operating costs	£m																				
	Operating profit	£m																				
	Interest income and similar income																					
	Finance income from IFRIC 12 debtor	£m																				
	Finance income from lease unwinding	£m																				
	Interest receivable	£m																				
	Other investment income	£m																				
	Interest expense and other finance costs																					
	Interest payable - Sub debt	£m																				
	Interest payable - Senior debt	£m																				
	Interest payable - Bond	£m																				
	Other finance costs	£m																				
	Profit before taxation	£m																				
	Taxation																					
	Current Tax - current year	£m																				
	Current Tax - prior year adjustments	£m																				
	Deferred Tax - current year	£m																				
	Deferred Tax - prior year adjustments	£m																				
	Profit for the year	£m																				
	Other comprehensive income																					
	Net (loss)/gain taken to equity in respect of cash flow hedges	£m																				
	Tax on items taken directly to or transferred from equity	£m																				
	Impact of change in tax rate on deferred tax	£m																				
	Total comprehensive income for the year	£m																				
	Memo items																					
	Exceptional items																					
	Overwrite with description of exceptional	£m																				
	Overwrite with description of exceptional	£m																				
	Overwrite with description of exceptional	£m																				
	Overwrite with description of exceptional	£m																				
	Overwrite with description of exceptional	£m																				
	Fair value gains/losses																					
	Fair value gain/(loss) on swap 1	£m																				
	Fair value gain/(loss) on swap 2	£m																				
	Fair value gain/(loss) on swap 3	£m																				
	Overwrite with description of FV gain/loss	£m																				
	Overwrite with description of FV gain/loss	£m																				
	Overwrite with description of FV gain/loss	£m																				

Offshore Transmission Regulatory Instructions and Guidance:
Transitional Tender Round 2

Sheet '15' Statement of financial position

 		OFFSHORE TRANSMISSION - Reporting pack																				
Project: Demo sands																						
OFTO: [Offshore transmission operator 1]																						
Year: 2013-14																						
Index																						
15. Statement of financial position																						
As at 31st March:		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Name of reviewer:		0	1	0	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS	IPRS
Reviewed by:																						
Name of reviewer:																						
Convention: debit/(credit)		3 d.p.																				
<input type="checkbox"/> Revised																						
Assets																						
Non-current assets																						
Off-shore transmission cable																						
Off-shore substation																						
On-shore substation																						
Other operational assets																						
Non-operational assets																						
IPRSC 12 financial asset																						
IPRSC 12 intangible asset																						
Investments in leases																						
Investments																						
Deferred tax assets																						
Derivative financial instruments																						
Other - please overwrite																						
Other - please overwrite																						
Current assets																						
Cash and cash equivalents																						
Trade and other receivables																						
Inventories																						
Deferred tax assets																						
Derivative financial instruments																						
Other - please overwrite																						
Total assets																						
Equity and liabilities																						
Equity attributable to owners of the parent																						
Ordinary shares																						
Share premium																						
Retained earnings																						
Hedging reserve																						
Other reserves - please specify																						
Other reserves - please specify																						
Total equity																						
Non-current liabilities																						
Subordinated debt																						
Senior debt																						
Bonds																						
Other borrowings - please specify																						
Other borrowings - please specify																						
Deferred tax liabilities																						
Provisions for other liabilities and charges																						
Other - please overwrite																						
Other - please overwrite																						
Current liabilities																						
Bank overdrafts																						
Trade and other payables																						
Current income tax liabilities																						
Subordinated debt																						
Senior debt																						
Bonds																						
Other borrowings - please specify																						
Other borrowings - please specify																						
Derivative financial instruments																						
Provisions for other liabilities and charges																						
Other - please overwrite																						
Other - please overwrite																						
Total liabilities																						
Total equity and liabilities																						
Memo items																						
Cash reserve accounts																						
Debt service reserve account																						
Maintenance reserve account																						
Contingency reserve account																						
Decommissioning reserve account																						
Performance reserve account																						
Other - please overwrite																						
Other - please overwrite																						
Other - please overwrite																						
Other cash (not in a reserve account)																						
Total cash*																						
*should reconcile to balance sheet																						


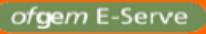
Sheet '16' Cash flow statement

ofgem		OFFSHORE TRANSMISSION - Reporting pack																				
ofgem E-Serve		Project: Demo sands																				
		OFTO: [Offshore transmission operator 1]																				
		Year: 2013-14																				
Index																						
16. Cash flow statement																						
Prepared by: For the year ending 31st March:		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Name of preparer: Convention: inflow(outflow) GAAP used (UK or IFRS)		0	0	0	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Reviewed by:																						
Name of reviewer:																						
<input type="checkbox"/> Reviewed																						
Cash flows from operating activities																						
Cash receipts - TRS		£m																				
Cash receipts - other operations		£m																				
Cash payments - operating costs		£m																				
Income tax paid		£m																				
Other cash flow - please specify		£m																				
Other cash flow - please specify		£m																				
Net cash generated from operating activities		£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities																						
Purchases of property, plant and equipment (PPE)		£m																				
Proceeds from sale of PPE		£m																				
Interest received		£m																				
Other cash flow - please specify		£m																				
Other cash flow - please specify		£m																				
Net cash generated from investing activities		£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from financing activities																						
Proceeds from issuance of ordinary shares		£m																				
Proceeds from issuance of convertible bonds		£m																				
Proceeds from issuance of redeemable preference shares		£m																				
Proceeds from borrowings		£m																				
Repayment of sub-debt		£m																				
Repayment of senior debt		£m																				
Repayment of bonds		£m																				
Interest payable - Sub debt		£m																				
Interest payable - Senior debt		£m																				
Interest payable - Bond		£m																				
Dividends paid to company's shareholders		£m																				
Dividends paid to holders of redeemable preference shares		£m																				
Dividends paid to minority interests		£m																				
Other cash flow - please specify		£m																				
Other cash flow - please specify		£m																				
Net cash used in financing activities		£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (decrease)/increase in cash and cash equivalents		£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at beginning of year		£m																				
Cash and cash equivalents at end of year		£m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sheet '17' Financial ratios

ofgem		OFFSHORE TRANSMISSION - Reporting pack																			
ofgem E-Serve		Project: Demo sands																			
		OFTO: [Offshore transmission operator 1]																			
		Year: 2013-14																			
Index																					
17. Financial ratios																					
Prepared by:		For the year ending 31st March:																			
Name of preparer		3 d.p.																			
Reviewed by:		Summary																			
Name of reviewer		Interest cover																			
<input type="checkbox"/> Reviewed		Annual debt service cover ratio (ADSCR)																			
		Loan Life Cover Ratio (LLCR)																			
		Min annual debt service cover ratio																			
		Min loan life cover ratio																			
		Covenants																			
		Min annual debt service cover ratio																			
		Min loan life cover ratio																			
		Other covenant 1 - please specify																			
		Other covenant 2 - please specify																			
		Ratios																			
		Annual debt service cover ratio																			
		Loan life cover ratio																			
		Other covenant 1 - please specify																			
		Other covenant 2 - please specify																			
		Transfer value and subsequent capex																			
		Transfer value (enter as +ve)																			
		Additions (enter as +ve)																			
		Disposals (enter as -ve)																			
		Narrative description of ADSCR calculation																			
		Narrative description of LLCR calculation																			
		Narrative description of Other covenant 1 - please specify calculation																			
		Narrative description of Other covenant 2 - please specify calculation																			

Sheet '18' Reconciliation of internally consistent figures

 		OFFSHORE TRANSMISSION - Reporting pack																				
Project: Demo sands OFTO: [Offshore transmission operator 1] Year: 2013-14		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Index	18. Reconciliation of internally consistent figures																					
Prepared by:	For the year ending 31st March:																					
N/a	Checks that spreadsheet is internally consistent																					
Reviewed by:	Interest payable																					
Name of reviewer																						
<input type="checkbox"/> Reviewed	Balance sheet																					
	Total assets = total liabilities + equity																					
	Balance sheet agrees to cash flow statement																					
	Total debt agrees to financing tab																					
	Intercompany debt balances																					
	Cash reserves agree to balance sheet																					
	Ratios																					
	ADSCR																					
	LLCR																					
	Other covenant 1 - please specify																					
	Other covenant 2 - please specify																					
	References																					
	Interest payable																					
	As per income statement	£m																				
	As per financing tabs																					
	Sub-debt interest payments	£m																				
	Senior debt interest payments	£m																				
	Bond coupon payments	£m																				
	Balance sheet																					
	Total assets	£m																				
	Total equity and liabilities	£m																				
	Cash and cash equivalents as per balance sheet	£m																				
	Cash and cash equivalents as per cash flow statement	£m																				
	Total debt as per financing tabs	£m																				
	Total debt as per balance sheet	£m																				
	HoldCo receivable	£m																				
	OFTO payable	£m																				
	Cash as per balance sheet	£m																				
	Cash as per summary of cash reserves	£m																				

Sheet '19' Reconciliation

ofgem		OFFSHORE TRANSMISSION - Reporting pack						
ofgem E-Serve		Project:	Demo sands					
		OFTO:	[Offshore transmission operator 1]					
		Year:	2013-14					

[Index](#)

19. Reconciliation to statutory accounts

Prepared by:
Name of preparer Last statutory accounts made up to: 31 December 2012

Reviewed by: 3 d.p.

Name of reviewer

Reviewed

All reconciling items must be explained								
	3 d.p.	As per cost reporting template	Attributable to last statutory accounts	Attributable to the statutory accounts for the year to 31/12/2013	Indexation adjustment	Total items included in cost return but not in stats (-ve)	Total items included in stats but not in cost return (+ve)	Total agrees to cost reporting template
Revenue	£m	-						✓
Operating costs	£m	-						✓
Other operating income	£m	-						✓
Operating profit	£m	-						✓
Profit before taxation	£m	-						✓
Taxation	£m	-						✓
Profit for the year	£m	-						✓
Total comprehensive income for the year	£m	-						✓
Cash receipts - TRS	£m	-						✓
Net cash generated from operating activities	£m	-						✓

N.B. 'stats' in cells H10 and I10 refers to the statutory accounts

Appendix 6 – Equity transaction reporting

Sheet '20' Equity transaction reporting



Making a positive difference for energy consumers

Project: **Demo sands**
 OFTO: **[Offshore transmission operator 1]**
 Year: **2013-14**

[Index](#)

20. Equity transaction reporting

Prepared by:

Name of preparer

Reviewed by:

Name of reviewer

Reviewed

Date	Equity sold by:	Equity sold to:	Number of shares sold:	Price per share:	Total value of sale:	Resulting shares held by selling party:		Resulting shares held by purchasing party:	
[dd/mm/yy]	[Name]	[Name]	[a]	£ [b]	£[c] = a x b	[n.]	[%]	[n.]	[%]
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				
					£0.00				

Appendix 7 - Glossary

ADSCR

Annual debt service cover ratio

Authority

The Gas and Electricity Markets Authority

C

Capex

Capital expenditure - amounts which a company spends on assets which are expected to be used over several years

CT600

CT600 is the reference number for the corporation tax return which companies in the UK must complete and submit to HMRC

G

GAAP

Generally accepted accounting principles - this is the generic name for a set of accounting rules. There are various national GAAPs (including UK GAAP) as well as the international standards (IFRS).

H

HoldCo

A name used to refer to the holding company of the licensee - ie the licensee's immediate parent company if that company has no other activities.

HMRC

Her Majesty's Revenue and Customs - the tax authorities in the UK.

I

IFRS

International Financial Reporting Standards

L

Licence

Offshore electricity transmission licence

LIBOR

London Interbank Offered Rate

LLCR

Loan life cover ratio

O

O&M

Operations and maintenance

Ofgem

Office of Gas and Electricity Markets

OFTO

Offshore transmission owner

S

SPV

Special purpose vehicle - a company, or other legal entity, set up specifically for carrying out a single activity

R

RIGs

Offshore transmission owner regulatory instructions and guidance

T

TRS

Tender revenue stream

TR1 / TR2

Transitional Tender Round 1 / 2.