

DCP 077 Legal Drafting

SCHEDULE 16 – COMMON DISTRIBUTION CHARGING
METHODOLOGY

57. Capital costs that are not covered by customer contributions are converted to annual costs using a level annuity with ~~using~~ the annuity period and rate of return set out in table 3.

Table 3 Annuity rate of return and annuity period

<i>Parameter</i>	<i>Value</i>
Annuity period	40
Annuity rate of return	6.9% <u>until the 31 March 2011, and thereafter the “allowed pre- tax weighted average cost of capital” set by the Authority as part of the then most recent review of the charge restriction conditions applying under the DNO Party’s Distribution Licence.</u>