

DCP 217 Legal Text

Rate of Return

Amend Table 3 of paragraph 57 contained in Schedule 16 as follows:

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

Table 3 Annuity rate of return and annuity period

Parameter	Value
Annuity period	40
Annuity rate of return	5.6% 6.9% 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.

In paragraph 2.16 of Schedule 17, amend ‘i’ as follows:

i = discount rate, which is ~~assumed to be the pre-tax 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~~ 5.6%

In paragraph 9.2 of Annex 1 to Schedule 17, amend ‘i’ as follows:

i = discount rate, which is ~~assumed to be the pre-tax 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~~ 5.6%

In Annex 2 to Schedule 17, amend ‘i’ as follows:

i is the discount rate, which is ~~assumed to be the pre-tax 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~~ 5.6%;

In paragraph 2.9 of Schedule 18, amend 'Discount Rate' as follows:

DiscountRate is ~~equal to the (pre-tax) 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~~5.6%.

In paragraph 1 of Attachment 1 to Schedule 18, amend 'Discount Rate' as follows:

DiscountRate is ~~equal to the (pre-tax) 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~~5.6%.

**Wragge Lawrence Graham & Co LLP
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