



# **Northern Powergrid**

DCUSA Schedule 20

Cost Information Review Pack

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Regulatory Charges Lead

**26 March 2026**

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# Overview of forecast changes – Northern Powergrid

Term	Price Base	Dec-25 Forecast						Variance to Prior Forecast					
		2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4
Fast money	£m 20/21 prices	124.6	129.1	149.1	153.5	161.5	173.0	-0.2	-6.8	0.2	7.8	-	-
Depreciation	£m 20/21 prices	254.9	251.3	247.3	245.8	242.3	238.5	-	-	-0.5	-0.6	-	-
Return	£m 20/21 prices	147.2	150.9	161.7	168.7	164.5	173.5	-0.1	-0.5	1.8	-	-	-
Pass-through	£m 20/21 prices	27.0	72.8	82.4	104.1	110.4	111.2	-	-0.7	-1.0	9.4	17.0	17.0
<b>Base Revenue</b>	<b>£m 20/21 prices</b>	<b>553.8</b>	<b>604.1</b>	<b>640.5</b>	<b>672.2</b>	<b>678.8</b>	<b>696.2</b>	<b>-0.3</b>	<b>-8.0</b>	<b>0.5</b>	<b>16.6</b>	<b>17.0</b>	<b>17.0</b>
Return Adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Equity issuance costs	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Business plan incentive	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Output delivery incentive	£m 20/21 prices	-5.1	-9.7	2.9	10.7	-	-	-	-3.7	1.2	1.3	-	-
Other revenue allowances	£m 20/21 prices	1.3	2.2	1.2	1.0	1.5	1.5	-	-	-	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	0.1	0.1
<b>Calculated revenue (before tax)</b>	<b>£m 20/21 prices</b>	<b>550.1</b>	<b>596.7</b>	<b>644.6</b>	<b>683.9</b>	<b>680.3</b>	<b>697.7</b>	<b>-0.3</b>	<b>-11.7</b>	<b>1.7</b>	<b>18.0</b>	<b>17.1</b>	<b>17.1</b>
Tax allowance	£m 20/21 prices	39.8	23.2	28.8	34.7	26.6	21.4	1.6	-0.6	1.7	0.8	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m 20/21 prices</b>	<b>589.8</b>	<b>619.9</b>	<b>673.4</b>	<b>718.6</b>	<b>706.8</b>	<b>719.2</b>	<b>1.3</b>	<b>-12.3</b>	<b>3.4</b>	<b>18.7</b>	<b>17.1</b>	<b>17.1</b>
Real to nominal prices conversion factor	scalar	1.322	1.374	1.407	1.435	1.464	1.486	-	-	-0.001	-0.004	-0.006	-
<b>Calculated revenue</b>	<b>£m nominal</b>	<b>779.6</b>	<b>851.9</b>	<b>947.3</b>	<b>1,031.4</b>	<b>1,035.1</b>	<b>1,069.0</b>	<b>1.7</b>	<b>-17.0</b>	<b>4.1</b>	<b>24.4</b>	<b>21.2</b>	<b>21.5</b>
Correction term	£m nominal	113.3	-175.3	-118.3	-38.4	-	-	-	1.9	-13.2	-9.3	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	88.0	4.3	4.7	5.0	-	-	0.1	0.1	0.1	0.1	-	-
<b>Allowed revenue</b>	<b>£m nominal</b>	<b>980.9</b>	<b>680.9</b>	<b>833.7</b>	<b>998.0</b>	<b>1,035.1</b>	<b>1,069.0</b>	<b>1.8</b>	<b>-15.0</b>	<b>-9.0</b>	<b>15.2</b>	<b>21.2</b>	<b>21.5</b>
<b>Recovered Revenue</b>	<b>£m nominal</b>	<b>1,142.8</b>	<b>792.0</b>	<b>869.8</b>	<b>998.0</b>	<b>1,035.1</b>	<b>1,069.0</b>	<b>-</b>	<b>-2.5</b>	<b>-0.2</b>	<b>15.2</b>	<b>21.2</b>	<b>21.5</b>
<b>Revenue under/(over) recovery</b>	<b>£m nominal</b>	<b>-161.9</b>	<b>-111.0</b>	<b>-36.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.8</b>	<b>-12.5</b>	<b>-8.8</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Passthrough (2020/21 prices)

Area	Term	Price Base		Dec-25 Forecast						Variance to Prior Forecast					
				2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
				t-1	t	t+1	t+2	t+3	t+4	t-1	t	t+1	t+2	t+3	t+4
Northeast	Licence Fee Payments	£m 20/21 prices	LFt	1.7	1.7	1.7	1.7	1.6	1.6	-	-	-	-	-	-
	Prescribed Rates	£m 20/21 prices	RBt	18.8	18.4	23.3	23.2	25.8	25.8	-	-0.4	-0.9	-3.7	-0.4	-0.4
	Pass-through Transmission Connection Point Charges	£m 20/21 prices	TBt	8.9	8.7	8.9	9.2	9.4	9.7	-	-	-	-	-	-
	Smart Meter Communication Licensee Costs	£m 20/21 prices	SMCt	1.3	1.3	1.4	8.7	8.7	8.7	-	-	0.1	7.4	7.4	7.4
	Smart Meter Information Technology Costs	£m 20/21 prices	SMITt	0.6	1.0	0.9	0.6	0.5	0.5	-	0.1	0.3	-	-	-
	Ring Fence Costs	£m 20/21 prices	RFt	-	-	-	-	-	-	-	-	-	-	-	-
	Supplier of Last Resort Net Costs	£m 20/21 prices	SLRt	0.4	-0.4	-1.8	-	-	-	-	-	-	-	-	-
	Valid Bad Debt Claims	£m 20/21 prices	IBDA	0.1	-	-	-	-	-	-	-	-	-	-	-
	Pension Scheme Established Deficit repair expenditure	£m 20/21 prices	EDEt	-31.9	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>£m 20/21 prices</b>	<b>PTt</b>	<b>-0.1</b>	<b>30.8</b>	<b>34.5</b>	<b>43.4</b>	<b>46.1</b>	<b>46.4</b>	<b>-</b>	<b>-0.3</b>	<b>-0.4</b>	<b>3.7</b>	<b>7.0</b>	<b>7.0</b>
Yorkshire	Licence Fee Payments	£m 20/21 prices	LFt	2.4	2.5	2.5	2.5	2.3	2.3	-	-	-	-	-	-
	Prescribed Rates	£m 20/21 prices	RBt	25.9	25.3	32.1	31.8	35.4	35.4	-	-0.6	-1.2	-5.1	-0.6	-0.6
	Pass-through Transmission Connection Point Charges	£m 20/21 prices	TBt	11.1	11.8	12.9	13.3	13.6	14.1	-	-	0.2	0.2	0.1	0.1
	Smart Meter Communication Licensee Costs	£m 20/21 prices	SMCt	1.9	1.9	2.0	12.5	12.5	12.5	-	-	0.1	10.6	10.6	10.6
	Smart Meter Information Technology Costs	£m 20/21 prices	SMITt	0.6	1.0	0.9	0.6	0.5	0.5	-	0.1	0.3	-	-	-
	Ring Fence Costs	£m 20/21 prices	RFt	-	-	-	-	-	-	-	-	-	-	-	-
	Supplier of Last Resort Net Costs	£m 20/21 prices	SLRt	0.5	-0.6	-2.6	-	-	-	-	-	-	-	-	-
	Valid Bad Debt Claims	£m 20/21 prices	IBDA	0.1	-	-	-	-	-	-	-	-	-	-	-
	Pension Scheme Established Deficit repair expenditure	£m 20/21 prices	EDEt	-15.4	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>£m 20/21 prices</b>	<b>PTt</b>	<b>27.1</b>	<b>42.0</b>	<b>47.9</b>	<b>60.7</b>	<b>64.3</b>	<b>64.9</b>	<b>-</b>	<b>-0.4</b>	<b>-0.5</b>	<b>5.7</b>	<b>10.1</b>	<b>10.1</b>

- Aligned to latest business forecasts as submitted in the December 2025 PCFM.
  - Smart Meter licence costs aligned to latest business forecast, including proposed uplift in DCC costs, with DNO share proposed to increase from 6% to 40%.

# Incentives (2020/21 prices)

Area	Term		Dec-25 Forecast						Variance to Prior Forecast					
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
			t-1	t	t+1	t+2	t+3	t+4	t-1	t	t+1	t+2	t+3	t+4
Northeast	Time To Connect	TTCt	-	-	-	0.2	-	-	-	-	-	-	-	-
	Broad Measure of Customer Service	BMCSt	-0.2	0.8	1.2	1.4	-	-	-	-	-	-	-	-
	Interruptions	IQIt	-2.3	-5.7	-	1.6	-	-	-	-1.2	-	0.1	-	-
	Major Connections	MCt	-	-	-	-	-	-	-	-	-	-	-	-
	Consumer Vulnerability	CVIt	1.5	-	-	1.9	-	-	-	-	-	-	-	-
	Distribution System Operator	DSOIt	1.1	1.1	1.1	1.1	-	-	-	0.5	0.5	0.5	-	-
	<b>Total</b>	<b>ODIt</b>	-	-3.8	2.3	6.3	-	-	-	-0.7	0.5	0.6	-	-
Yorkshire	Time To Connect	TTCt	0.1	-	-	0.3	-	-	-	-	-	-	-	-
	Broad Measure of Customer Service	BMCSt	-0.1	1.1	1.6	2.0	-	-	-	-	-	-	-	-
	Interruptions	IQIt	-6.6	-8.4	-2.5	-0.1	-	-	-	-3.6	-	-	-	-
	Major Connections	MCt	-	-	-	-	-	-	-	-	-	-	-	-
	Consumer Vulnerability	CVIt	0.1	-	-	0.7	-	-	-	-	-	-	-	-
	Distribution System Operator	DSOIt	1.5	1.5	1.5	1.5	-	-	-	0.7	0.7	0.7	-	-
	<b>Total</b>	<b>ODIt</b>	-5.0	-5.8	0.6	4.5	-	-	-	-2.9	0.7	0.7	-	-

- Aligned to latest business forecasts as submitted in the December 2025 PCFM.
  - Interruptions aligned to latest business forecast for 2025/26 outturn.
  - Distribution System Operator included a revised forecast of panel score

# Other Calculated Revenue Terms (2020/21 prices)

Area	Term		Dec-25 Forecast						Variance to Prior Forecast					
			2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
			t-1	t	t+1	t+2	t+3	t+4	t-1	t	t+1	t+2	t+3	t+4
Northeast	Fast money	FMt	55.5	58.9	66.0	69.1	69.1	74.2	-0.1	-3.4	0.2	3.0	-	-
	Depreciation	DPNt	109.6	108.6	107.0	105.7	103.2	101.0	-	-	-0.3	-0.3	-	-
	Return	RTNt	62.3	63.9	68.4	71.3	68.9	72.4	-	-0.3	0.7	-0.1	-	-
	Return Adjustment	RTNAt	-	-	-	-	-	-	-	-	-	-	-	-
	Equity issuance costs	EICt	-	-	-	-	-	-	-	-	-	-	-	-
	Business plan incentive	BPIt	-	-	-	-	-	-	-	-	-	-	-	-
	Other revenue allowances	ORAt	0.6	0.9	0.5	0.4	0.6	0.6	-	-	-	-	-	-
	Directly Remunerated Services	DRSt	-	-	-	-	-	-	-	-	-	-	-	-
	Tax allowance	TAXt	17.0	10.6	14.8	16.4	12.3	10.2	0.4	0.7	1.4	0.5	-	-
	<b>Total</b>		<b>244.9</b>	<b>242.9</b>	<b>256.6</b>	<b>262.8</b>	<b>254.2</b>	<b>258.4</b>	<b>0.3</b>	<b>-3.0</b>	<b>2.0</b>	<b>3.0</b>	-	-
Yorkshire	Fast money	FMt	69.2	70.2	83.1	84.5	92.4	98.8	-0.1	-3.4	-	4.8	-	-
	Depreciation	DPNt	145.3	142.7	140.3	140.1	139.1	137.5	-	-	-0.2	-0.3	-	-
	Return	RTNt	84.9	87.1	93.4	97.5	95.5	101.1	-	-0.2	1.2	0.2	-	-
	Return Adjustment	RTNAt	-	-	-	-	-	-	-	-	-	-	-	-
	Equity issuance costs	EICt	-	-	-	-	-	-	-	-	-	-	-	-
	Business plan incentive	BPIt	-	-	-	-	-	-	-	-	-	-	-	-
	Other revenue allowances	ORAt	0.8	1.3	0.7	0.6	0.9	0.9	-	-	-	-	-	-
	Directly Remunerated Services	DRSt	-	-	-	-	-	-	-	-	-	-	-	-
	Tax allowance	TAXt	22.8	12.6	14.1	18.3	14.3	11.2	1.1	-1.3	0.3	0.2	-	-
	<b>Total</b>		<b>322.9</b>	<b>313.9</b>	<b>331.5</b>	<b>341.0</b>	<b>342.2</b>	<b>349.5</b>	<b>1.0</b>	<b>-5.0</b>	<b>1.2</b>	<b>4.9</b>	-	-

- Aligned to latest business forecasts as submitted in the December 2025 PCFM

# Indexation

Term	Dec-25 Forecast						Variance to Prior Forecast					
	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4
Price Index	388.8	404.3	413.8	422.2	430.8	437.3	0.0	0.0	-0.3	-1.0	-1.6	-1.7
Indexation %	3.21%	3.98%	2.35%	2.03%	2.04%	1.50%	0.00%	-0.01%	-0.07%	-0.18%	-0.13%	0.00%

- Indexation is aligned to the Autumn 2025 OBR forecast for all years, as required for 2027/28 Charge Setting.

## Recovered Revenue and Prior Year Correction (Nominal)

Area	Term	Dec-25 Forecast						Variance to Prior Forecast					
		2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4
Northeast	Allowed Revenue	427.3	293.9	360.0	439.5	439.8	453.0	0.3	-5.1	-2.3	7.0	8.6	8.7
	Recovered Revenue	500.3	345.5	370.6	439.5	439.8	453.0	-	-0.4	-	7.0	8.6	8.7
	Over/Under-Recovery	73.0	51.6	10.6	-	-	-	-0.3	4.7	2.3	-	-	-
	Prior Year Correction	50.1	-79.0	-55.0	-11.3	-	-	-0.1	0.4	-5.0	-2.5	-	-
Yorkshire	Allowed Revenue	553.6	387.1	473.8	558.5	595.3	616.0	1.4	-9.9	-6.6	8.2	12.6	12.8
	Recovered Revenue	642.5	446.5	499.2	558.5	595.3	616.0	-	-2.1	-0.2	8.2	12.6	12.8
	Over/Under-Recovery	89.0	59.4	25.5	-	-	-	-1.4	7.8	6.4	-	-	-
	Prior Year Correction	63.2	-96.3	-63.3	-27.1	-	-	0.1	1.6	-8.2	-6.8	-	-

- Recovered revenue is updated for actual revenue invoiced in November 2025 and updated forecasts.
- Variance in prior year correction reflects changes to allowed revenues and recovered revenues as mentioned previously.

# Questions?

We welcome the opportunity to discuss the information contained within this presentation, or any other use of system charging related matters, on a bilateral basis.

Contact me at [kara.burke@northernpowergrid.com](mailto:kara.burke@northernpowergrid.com) or 07872 819787

For general UoS charges enquiries: [uos.charges@northernpowergrid.com](mailto:uos.charges@northernpowergrid.com)

For DUoS Billing enquiries: [duos.billing@northernpowergrid.com](mailto:duos.billing@northernpowergrid.com)

For Residual Band enquiries: [TCR@northernpowergrid.com](mailto:TCR@northernpowergrid.com)



# Appendix 1 – Overview of forecast changes - Northeast

Term	Price Base	Dec-25 Forecast						Variance to Prior Forecast					
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		t-1	t	t+1	t+2	t+3	t+4	t-1	t	t+1	t+2	t+3	t+4
Fast money	£m 20/21 prices	55.5	58.9	66.0	69.1	69.1	74.2	-0.1	-3.4	0.2	3.0	-	-
Depreciation	£m 20/21 prices	109.6	108.6	107.0	105.7	103.2	101.0	-	-	-0.3	-0.3	-	-
Return	£m 20/21 prices	62.3	63.9	68.4	71.3	68.9	72.4	-	-0.3	0.7	-0.1	-	-
Pass-through	£m 20/21 prices	-0.1	30.8	34.5	43.4	46.1	46.4	-	-0.3	-0.4	3.7	7.0	7.0
<b>Base Revenue</b>	<b>£m 20/21 prices</b>	<b>227.3</b>	<b>262.1</b>	<b>275.9</b>	<b>289.4</b>	<b>287.4</b>	<b>293.9</b>	<b>-0.2</b>	<b>-4.0</b>	<b>0.2</b>	<b>6.2</b>	<b>7.0</b>	<b>7.0</b>
Return Adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Equity issuance costs	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Business plan incentive	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Output delivery incentive	£m 20/21 prices	-	-3.8	2.3	6.3	-	-	-	-0.7	0.5	0.6	-	-
Other revenue allowances	£m 20/21 prices	0.6	0.9	0.5	0.4	0.6	0.6	-	-	-	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue (before tax)</b>	<b>£m 20/21 prices</b>	<b>227.8</b>	<b>259.2</b>	<b>278.7</b>	<b>296.1</b>	<b>288.0</b>	<b>294.6</b>	<b>-0.2</b>	<b>-4.7</b>	<b>0.7</b>	<b>6.8</b>	<b>7.0</b>	<b>7.0</b>
Tax allowance	£m 20/21 prices	17.0	10.6	14.8	16.4	12.3	10.2	0.4	0.7	1.4	0.5	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m 20/21 prices</b>	<b>244.8</b>	<b>269.9</b>	<b>293.4</b>	<b>312.5</b>	<b>300.3</b>	<b>304.8</b>	<b>0.3</b>	<b>-4.0</b>	<b>2.1</b>	<b>7.3</b>	<b>7.0</b>	<b>7.0</b>
Real to nominal prices conversion factor	scalar	1.322	1.374	1.407	1.435	1.464	1.486	-	-	-0.001	-0.004	-0.006	-0.006
<b>Calculated revenue</b>	<b>£m nominal</b>	<b>323.6</b>	<b>370.9</b>	<b>412.8</b>	<b>448.5</b>	<b>439.8</b>	<b>453.0</b>	<b>0.4</b>	<b>-5.5</b>	<b>2.6</b>	<b>9.5</b>	<b>8.6</b>	<b>8.7</b>
Correction term	£m nominal	50.1	-79.0	-55.0	-11.3	-	-	-0.1	0.4	-5.0	-2.5	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	53.6	2.0	2.2	2.3	-	-	-	-	-	-	-	-
<b>Allowed revenue</b>	<b>£m nominal</b>	<b>427.3</b>	<b>293.9</b>	<b>360.0</b>	<b>439.5</b>	<b>439.8</b>	<b>453.0</b>	<b>0.3</b>	<b>-5.1</b>	<b>-2.3</b>	<b>7.0</b>	<b>8.6</b>	<b>8.7</b>
<b>Recovered Revenue</b>	<b>£m nominal</b>	<b>500.3</b>	<b>345.5</b>	<b>370.6</b>	<b>439.5</b>	<b>439.8</b>	<b>453.0</b>	<b>-</b>	<b>-0.4</b>	<b>-</b>	<b>7.0</b>	<b>8.6</b>	<b>8.7</b>
<b>Revenue under/(over) recovery</b>	<b>£m nominal</b>	<b>-73.0</b>	<b>-51.6</b>	<b>-10.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-4.7</b>	<b>-2.3</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Appendix 1 – Overview of forecast changes - Yorkshire

Term	Price Base	Dec-25 Forecast						Variance to Prior Forecast					
		2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4
Fast money	£m 20/21 prices	69.2	70.2	83.1	84.5	92.4	98.8	-0.1	-3.4	-	4.8	-	-
Depreciation	£m 20/21 prices	145.3	142.7	140.3	140.1	139.1	137.5	-	-	-0.2	-0.3	-	-
Return	£m 20/21 prices	84.9	87.1	93.4	97.5	95.5	101.1	-	-0.2	1.2	0.2	-	-
Pass-through	£m 20/21 prices	27.1	42.0	47.9	60.7	64.3	64.9	-	-0.4	-0.5	5.7	10.1	10.1
<b>Base Revenue</b>	<b>£m 20/21 prices</b>	<b>326.5</b>	<b>342.0</b>	<b>364.6</b>	<b>382.8</b>	<b>391.4</b>	<b>402.3</b>	<b>-0.1</b>	<b>-4.0</b>	<b>0.4</b>	<b>10.4</b>	<b>10.1</b>	<b>10.1</b>
Return Adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Equity issuance costs	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Business plan incentive	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Output delivery incentive	£m 20/21 prices	-5.0	-5.8	0.6	4.5	-	-	-	-2.9	0.7	0.7	-	-
Other revenue allowances	£m 20/21 prices	0.8	1.3	0.7	0.6	0.9	0.9	-	-	-	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue (before tax)</b>	<b>£m 20/21 prices</b>	<b>322.3</b>	<b>337.4</b>	<b>365.9</b>	<b>387.8</b>	<b>392.2</b>	<b>403.2</b>	<b>-0.1</b>	<b>-7.0</b>	<b>1.1</b>	<b>11.1</b>	<b>10.1</b>	<b>10.1</b>
Tax allowance	£m 20/21 prices	22.8	12.6	14.1	18.3	14.3	11.2	1.1	-1.3	0.3	0.2	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m 20/21 prices</b>	<b>345.0</b>	<b>350.0</b>	<b>380.0</b>	<b>406.1</b>	<b>406.5</b>	<b>414.4</b>	<b>1.0</b>	<b>-8.3</b>	<b>1.4</b>	<b>11.4</b>	<b>10.1</b>	<b>10.1</b>
Real to nominal prices conversion factor	scalar	1.322	1.374	1.407	1.435	1.464	1.486	-	-	-0.001	-0.004	-0.006	-
<b>Calculated revenue</b>	<b>£m nominal</b>	<b>456.1</b>	<b>481.0</b>	<b>534.6</b>	<b>582.9</b>	<b>595.3</b>	<b>616.0</b>	<b>1.3</b>	<b>-11.5</b>	<b>1.5</b>	<b>14.9</b>	<b>12.6</b>	<b>12.8</b>
Correction term	£m nominal	63.2	-96.3	-63.3	-27.1	-	-	0.1	1.6	-8.2	-6.8	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	34.4	2.4	2.5	2.7	-	-	0.1	0.1	0.1	0.1	-	-
<b>Allowed revenue</b>	<b>£m nominal</b>	<b>553.6</b>	<b>387.1</b>	<b>473.8</b>	<b>558.5</b>	<b>595.3</b>	<b>616.0</b>	<b>1.4</b>	<b>-9.9</b>	<b>-6.6</b>	<b>8.2</b>	<b>12.6</b>	<b>12.8</b>
<b>Recovered Revenue</b>	<b>£m nominal</b>	<b>642.5</b>	<b>446.5</b>	<b>499.2</b>	<b>558.5</b>	<b>595.3</b>	<b>616.0</b>	<b>-</b>	<b>-2.1</b>	<b>-0.2</b>	<b>8.2</b>	<b>12.6</b>	<b>12.8</b>
<b>Revenue under/(over) recovery</b>	<b>£m nominal</b>	<b>-89.0</b>	<b>-59.4</b>	<b>-25.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.4</b>	<b>-7.8</b>	<b>-6.4</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Appendix 2 – Table 2 Sensitivities

- We have not included any sensitivities in Table 2 in December 2025, as we are not aware of any potential future updates that are not already included in the allowed revenue.

# Appendix 3 - Variance to Charge Setting Assumptions - Northeast

Term	Price Base	Dec-25 Forecast						Variance to Charge Setting Assumptions					
		2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4
Fast money	£m 20/21 prices	55.5	58.9	66.0	69.1	69.1	74.2	-	-	-	-	-	-
Depreciation	£m 20/21 prices	109.6	108.6	107.0	105.7	103.2	101.0	-	-	-	-	-	-
Return	£m 20/21 prices	62.3	63.9	68.4	71.3	68.9	72.4	-	-	-	-	-	-
Pass-through	£m 20/21 prices	-0.1	30.8	34.5	43.4	46.1	46.4	-	-	-	-	-	-
<b>Base Revenue</b>	<b>£m 20/21 prices</b>	<b>227.3</b>	<b>262.1</b>	<b>275.9</b>	<b>289.4</b>	<b>287.4</b>	<b>293.9</b>	-	-	-	-	-	-
Return Adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Equity issuance costs	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Business plan incentive	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Output delivery incentive	£m 20/21 prices	-	-3.8	2.3	6.3	-	-	-	-	-	-	-	-
Other revenue allowances	£m 20/21 prices	0.6	0.9	0.5	0.4	0.6	0.6	-	-	-	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue (before tax)</b>	<b>£m 20/21 prices</b>	<b>227.8</b>	<b>259.2</b>	<b>278.7</b>	<b>296.1</b>	<b>288.0</b>	<b>294.6</b>	-	-	-	-	-	-
Tax allowance	£m 20/21 prices	17.0	10.6	14.8	16.4	12.3	10.2	-	-	-	-	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m 20/21 prices</b>	<b>244.8</b>	<b>269.9</b>	<b>293.4</b>	<b>312.5</b>	<b>300.3</b>	<b>304.8</b>	-	-	-	-	-	-
Real to nominal prices conversion factor	scalar	1.322	1.374	1.407	1.435	1.464	1.486	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m nominal</b>	<b>323.6</b>	<b>370.9</b>	<b>412.8</b>	<b>448.5</b>	<b>439.8</b>	<b>453.0</b>	-	-	-	-	-	-
Correction term	£m nominal	50.1	-79.0	-55.0	-11.3	-	-	-	-	-	-	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	53.6	2.0	2.2	2.3	-	-	-	-	-	-	-	-
<b>Allowed revenue</b>	<b>£m nominal</b>	<b>427.3</b>	<b>293.9</b>	<b>360.0</b>	<b>439.5</b>	<b>439.8</b>	<b>453.0</b>	-	-	-	-	-	-
<b>Recovered Revenue</b>	<b>£m nominal</b>	<b>500.3</b>	<b>345.5</b>	<b>370.6</b>	<b>439.5</b>	<b>439.8</b>	<b>453.0</b>	-	-	-	-	-	-
<b>Revenue under/(over) recovery</b>	<b>£m nominal</b>	<b>-73.0</b>	<b>-51.6</b>	<b>-10.6</b>	-	-	-	-	-	-	-	-	-

# Appendix 3 - Variance to Charge Setting Assumptions - Yorkshire

Term	Price Base	Dec-25 Forecast						Variance to Charge Setting Assumptions					
		2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4	2024/25 t-1	2025/26 t	2026/27 t+1	2027/28 t+2	2028/29 t+3	2029/30 t+4
Fast money	£m 20/21 prices	69.2	70.2	83.1	84.5	92.4	98.8	-	-	-	-	-	-
Depreciation	£m 20/21 prices	145.3	142.7	140.3	140.1	139.1	137.5	-	-	-	-	-	-
Return	£m 20/21 prices	84.9	87.1	93.4	97.5	95.5	101.1	-	-	-	-	-	-
Pass-through	£m 20/21 prices	27.1	42.0	47.9	60.7	64.3	64.9	-	-	-	-	-	-
<b>Base Revenue</b>	<b>£m 20/21 prices</b>	<b>326.5</b>	<b>342.0</b>	<b>364.6</b>	<b>382.8</b>	<b>391.4</b>	<b>402.3</b>	-	-	-	-	-	-
Return Adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Equity issuance costs	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Business plan incentive	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Output delivery incentive	£m 20/21 prices	-5.0	-5.8	0.6	4.5	-	-	-	-	-	-	-	-
Other revenue allowances	£m 20/21 prices	0.8	1.3	0.7	0.6	0.9	0.9	-	-	-	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue (before tax)</b>	<b>£m 20/21 prices</b>	<b>322.3</b>	<b>337.4</b>	<b>365.9</b>	<b>387.8</b>	<b>392.2</b>	<b>403.2</b>	-	-	-	-	-	-
Tax allowance	£m 20/21 prices	22.8	12.6	14.1	18.3	14.3	11.2	-	-	-	-	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m 20/21 prices</b>	<b>345.0</b>	<b>350.0</b>	<b>380.0</b>	<b>406.1</b>	<b>406.5</b>	<b>414.4</b>	-	-	-	-	-	-
Real to nominal prices conversion factor	scalar	1.322	1.374	1.407	1.435	1.464	1.486	-	-	-	-	-	-
<b>Calculated revenue</b>	<b>£m nominal</b>	<b>456.1</b>	<b>481.0</b>	<b>534.6</b>	<b>582.9</b>	<b>595.3</b>	<b>616.0</b>	-	-	-	-	-	-
Correction term	£m nominal	63.2	-96.3	-63.3	-27.1	-	-	-	-	-	-	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	34.4	2.4	2.5	2.7	-	-	-	-	-	-	-	-
<b>Allowed revenue</b>	<b>£m nominal</b>	<b>553.6</b>	<b>387.1</b>	<b>473.8</b>	<b>558.5</b>	<b>595.3</b>	<b>616.0</b>	-	-	-	-	-	-
<b>Recovered Revenue</b>	<b>£m nominal</b>	<b>642.5</b>	<b>446.5</b>	<b>499.2</b>	<b>558.5</b>	<b>595.3</b>	<b>616.0</b>	-	-	-	-	-	-
<b>Revenue under/(over) recovery</b>	<b>£m nominal</b>	<b>-89.0</b>	<b>-59.4</b>	<b>-25.5</b>	-	-	-	-	-	-	-	-	-

# Thank you