Northern Powergrid

DCUSA Schedule 20

Cost Information Review Pack

Kara Burke
Regulatory Charges Lead

22 October 2026

Contents

- **Page 3** *Overview of forecast changes*
- **Page 4** *Passthrough*
- **Page 5** *Incentives*
- **Page 6** *Other Calculated Revenue Terms*
- **Page 7** *Indexation, Recovered Revenue and Prior Year Correction*
- **Page 9** *Appendix 1 – Overview of forecast changes – Northeast*
- **Page 10** *Appendix 1 – Overview of forecast changes - Yorkshire*
- **Page 11** *Appendix 2 – Table 2 Sensitivities*

Overview of forecast changes – Northern Powergrid

Term	Price Base	Sep-26 Forecast						Variance to Prior Forecast					
		2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Fast money	£m 20/21 prices	129.1	149.1	153.5	161.5	173.0	170.3	-	-	-	-	-	-
Depreciation	£m 20/21 prices	251.3	247.3	245.8	242.3	238.5	235.0	-	-	-	-	-	-
Return	£m 20/21 prices	150.9	161.7	158.5	164.5	173.5	183.2	-	-	-10.3	-	-	-
Pass-through	£m 20/21 prices	72.3	80.9	102.8	110.2	111.0	111.7	-0.1	0.9	0.8	-	-	-
Base Revenue	**£m 20/21 prices**	**603.6**	**639.0**	**660.6**	**678.5**	**695.9**	**700.2**	**-0.1**	**0.9**	**-9.5**	**-**	**-**	**-**
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	-15.1	-4.8	4.7	-	-	-	2.3	-7.7	-6.0	-	-	-
Other revenue allowances	£m 20/21 prices	1.5	4.9	4.3	1.5	1.5	1.5	-	3.7	3.4	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-0.1	-	-	-	-	-	-
Calculated revenue (before tax)	**£m 20/21 prices**	**590.0**	**639.1**	**669.7**	**680.0**	**697.4**	**701.6**	**2.3**	**-3.1**	**-12.1**	**-**	**-**	**-**
Tax allowance	£m 20/21 prices	21.6	25.5	30.9	26.6	21.4	16.0	0.8	-1.8	-3.4	-	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Calculated revenue	**£m 20/21 prices**	**611.5**	**664.6**	**700.6**	**706.5**	**718.9**	**717.7**	**3.1**	**-4.9**	**-15.5**	**-**	**-**	**-**
Real to nominal prices conversion factor	scalar	2.744	2.825	2.882	2.939	2.998	3.058	-	0.002	0.003	0.003	0.018	0.033
Calculated revenue	**£m nominal**	**838.9**	**938.7**	**1,009.3**	**1,038.2**	**1,077.6**	**1,097.5**	**4.2**	**-6.3**	**-21.4**	**0.9**	**6.4**	**12.0**
Correction term	£m nominal	-175.1	-133.1	-60.9	-43.4	-	-	-	4.4	-3.7	-43.4	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	4.3	4.7	5.0	-	-	-	-	-	-	-	-	-
Allowed revenue	**£m nominal**	**668.2**	**810.4**	**953.4**	**994.8**	**1,077.6**	**1,097.5**	**4.2**	**-1.9**	**-25.1**	**-42.5**	**6.4**	**12.0**
Recovered Revenue	**£m nominal**	**792.3**	**867.7**	**994.4**	**994.8**	**1,077.6**	**1,097.5**	**-**	**1.6**	**0.1**	**-42.5**	**6.4**	**12.0**
Revenue under/(over) recovery	**£m nominal**	**-124.1**	**-57.4**	**-41.0**	**-**	**-**	**-**	**4.2**	**-3.5**	**-25.1**	**-**	**-**	**-**

Passthrough (2020/21 prices)

Area	Term	Price Base		Sep-26 Forecast						Variance to Prior Forecast					
				2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Northeast	Licence Fee Payments	£m 20/21 prices	LFt	1.9	1.9	1.9	1.6	1.6	1.6	-	*0.2*	*0.2*	-	-	-
	Prescribed Rates	£m 20/21 prices	RBt	18.4	23.2	23.1	25.8	25.8	25.8	-	-	-	-	-	-
	Pass-through Transmission Connection Point Charges	£m 20/21 prices	TBt	8.7	8.8	9.2	9.4	9.7	10.0	-	-	-	-	-	-
	Smart Meter Communication Licensee Costs	£m 20/21 prices	SMCt	1.3	1.4	8.6	8.6	8.6	8.6	-	-	-	-	-	-
	Smart Meter Information Technology Costs	£m 20/21 prices	SMITt	0.9	0.9	0.6	0.5	0.5	0.5	-	-	-	-	-	-
	Ring Fence Costs	£m 20/21 prices	RFt	-	-	-	-	-	-	-	-	-	-	-	-
	Supplier of Last Resort Net Costs	£m 20/21 prices	SLRt	-0.4	-1.8	-	-	-	-	-	-	-	-	-	-
	Valid Bad Debt Claims	£m 20/21 prices	IBDAt	-	-	-	-	-	-	-	-	-	-	-	-
	Pension Scheme Established Deficit repair expenditure	£m 20/21 prices	EDEt	-	-	-	-	-	-	-	-	-	-	-	-
	Connections Reform Costs	£m 20/21 prices	CRt	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**£m 20/21 prices**	**PTt**	**31.0**	**34.5**	**43.5**	**46.0**	**46.3**	**46.5**	**-**	**0.2**	**0.1**	**-**	**-**	**-**
Yorkshire	Licence Fee Payments	£m 20/21 prices	LFt	2.8	2.8	2.8	2.3	2.3	2.3	-	*0.3*	*0.3*	-	-	-
	Prescribed Rates	£m 20/21 prices	RBt	25.4	32.0	31.7	35.3	35.3	35.3	-	-	-	-	-	-
	Pass-through Transmission Connection Point Charges	£m 20/21 prices	TBt	10.7	10.9	11.9	13.6	14.1	14.6	-	-	*0.4*	-	-	-
	Smart Meter Communication Licensee Costs	£m 20/21 prices	SMCt	1.9	2.0	12.4	12.4	12.4	12.4	-	-	*-0.1*	-	-	-
	Smart Meter Information Technology Costs	£m 20/21 prices	SMITt	0.9	0.9	0.6	0.5	0.5	0.5	-	-	-	-	-	-
	Ring Fence Costs	£m 20/21 prices	RFt	-	-	-	-	-	-	-	-	-	-	-	-
	Supplier of Last Resort Net Costs	£m 20/21 prices	SLRt	-0.6	-2.6	-	-	-	-	-	-	-	-	-	-
	Valid Bad Debt Claims	£m 20/21 prices	IBDAt	-	-	-	-	-	-	-	-	-	-	-	-
	Pension Scheme Established Deficit repair expenditure	£m 20/21 prices	EDEt	-	-	-	-	-	-	*-0.1*	-	-	-	-	-
	Connections Reform Costs	£m 20/21 prices	CRt	-	0.4	-	-	-	-	-	*0.4*	-	-	-	-
	Total	**£m 20/21 prices**	**PTt**	**41.3**	**46.4**	**59.3**	**64.2**	**64.7**	**65.2**	**-0.1**	**0.7**	**0.7**	**-**	**-**	**-**

- Exit charges and licence fees aligned to latest forecast.
- Connections Reform passthrough costs removed from Pension Deficit row as it now has its own row.

Incentives (2020/21 prices)

Area	Term		Sep-26 Forecast						Variance to Prior Forecast					
			2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Northeast	Time To Connect	TTCt	-0.2	-	-	-	-	-	-	-0.1	-0.3	-	-	-
	Broad Measure of Customer Service	BMCSt	-0.3	0.7	1.2	-	-	-	-	-0.5	-0.3	-	-	-
	Interruptions	IQt	-6.9	-3.2	-3.0	-	-	-	-	-3.2	-4.6	-	-	-
	Major Connections	MCt	-	-	-	-	-	-	-	-	-	-	-	-
	Consumer Vulnerability	CVIt	-	-	3.7	-	-	-	-	-	1.8	-	-	-
	Distribution System Operator	DSOIt	2.0	1.6	1.6	-	-	-	1.0	0.5	0.5	-	-	-
	Total	**ODIt**	**-5.4**	**-0.9**	**3.3**	**-**	**-**	**-**	***1.0***	***-3.2***	***-2.9***	**-**	**-**	**-**
Yorkshire	Time To Connect	TTCt	0.1	-0.2	-0.2	-	-	-	-	-0.2	-0.5	-	-	-
	Broad Measure of Customer Service	BMCSt	-0.3	1.6	2.0	-	-	-	-	-	-	-	-	-
	Interruptions	IQt	-12.3	-7.5	-7.4	-	-	-	-	-5.0	-7.4	-	-	-
	Major Connections	MCt	-	-	-	-	-	-	-	-	-	-	-	-
	Consumer Vulnerability	CVIt	-	-	4.8	-	-	-	-	-	4.1	-	-	-
	Distribution System Operator	DSOIt	2.8	2.2	2.2	-	-	-	1.3	0.7	0.7	-	-	-
	Total	**ODIt**	**-9.7**	**-3.8**	**1.4**	**-**	**-**	**-**	***1.4***	***-4.5***	***-3.1***	**-**	**-**	**-**

- Aligned to latest business forecasts for the remainder of ED2.

Other Calculated Revenue Terms (2020/21 prices)

Area	Term		Sep-26 Forecast						Variance to Prior Forecast					
			2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Northeast	Fast money	FMt	58.9	66.0	69.1	69.1	74.2	74.4	-	-	-	-	-	-
	Depreciation	DPNt	108.6	107.0	105.7	103.2	101.0	99.2	-	-	-	-	-	-
	Return	RTNt	63.9	68.4	66.9	68.9	72.4	76.2	-	-	*-4.3*	-	-	-
	Return Adjustment	RTNAt	-	-	-	-	-	-	-	-	-	-	-	-
	Equity issuance costs	EICt	-	-	-	-	-	-	-	-	-	-	-	-
	Business plan incentive	BPIt	-	-	-	-	-	-	-	-	-	-	-	-
	Other revenue allowances	ORAt	0.6	2.1	1.9	0.6	0.6	0.6	-	*1.6*	*1.4*	-	-	-
	Directly Remunerated Services	DRSt	-	-	-	-	-	-	-	-	-	-	-	-
	Tax allowance	TAXt	10.2	13.4	14.6	12.3	10.2	8.3	*0.3*	*-0.7*	*-1.5*	-	-	-
	Tax allowance adjustment	TAXAt	-	-	-	-	-	-	-	-	-	-	-	-
	Total		**242.1**	**256.8**	**258.2**	**254.2**	**258.4**	**258.7**	***0.3***	***0.9***	***-4.4***	**-**	**-**	**-**
Yorkshire	Fast money	FMt	70.2	83.1	84.5	92.4	98.8	95.9	-	-	-	-	-	-
	Depreciation	DPNt	142.7	140.3	140.1	139.1	137.5	135.8	-	-	-	-	-	-
	Return	RTNt	87.1	93.4	91.5	95.5	101.1	107.0	-	-	*-5.9*	-	-	-
	Return Adjustment	RTNAt	-	-	-	-	-	-	-	-	-	-	-	-
	Equity issuance costs	EICt	-	-	-	-	-	-	-	-	-	-	-	-
	Business plan incentive	BPIt	-	-	-	-	-	-	-	-	-	-	-	-
	Other revenue allowances	ORAt	0.9	2.8	2.5	0.9	0.9	0.9	-	*2.1*	*1.9*	-	-	-
	Directly Remunerated Services	DRSt	-	-	-	-	-	-	-	-	-	-	-	-
	Tax allowance	TAXt	11.4	12.1	16.2	14.3	11.2	7.8	*0.5*	*-1.1*	*-1.8*	-	-	-
	Tax allowance adjustment	TAXAt	-	-	-	-	-	-	-	-	-	-	-	-
	Total		**312.3**	**331.6**	**334.9**	**342.2**	**349.5**	**347.3**	***0.5***	***1.0***	***-5.9***	**-**	**-**	**-**

- Other Revenue Allowances aligned to latest forecasts for NIA.
- Return impacted by revised WACC assumption for 2027/28.

Indexation

Term	Sep-26 Forecast						Variance to Prior Forecast					
	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Price Index	403.5	415.5	423.8	432.3	441.0	449.8	0.0	0.3	0.4	0.4	2.6	4.9
Indexation %	3.79%	2.96%	2.00%	1.99%	2.01%	2.01%	0.00%	0.07%	0.02%	0.00%	0.51%	0.51%

- Indexation is aligned to the actuals up to June 2026 and the HM Treasury forecast for all other years.

Recovered Revenue and Prior Year Correction (Nominal)

Area	Term	Sep-26 Forecast						Variance to Prior Forecast					
		2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Northeast	Allowed Revenue	290.3	353.8	425.6	428.0	456.7	466.7	*1.8*	*-0.8*	*-11.0*	*-12.6*	*2.7*	5.1
	Recovered Revenue	344.9	369.0	437.9	428.0	456.7	466.7	-	*0.2*	-	*-12.6*	*2.7*	5.1
	Over/Under-Recovery	**54.6**	**15.2**	**12.3**	-	-	-	***-1.8***	***1.1***	***11.1***	-	-	-
	Prior Year Correction	**-78.9**	**-58.5**	**-16.1**	**-13.0**	-	-	-	***1.9***	***-1.1***	***-13.0***	-	-
Yorkshire	Allowed Revenue	377.9	456.6	527.8	566.8	620.9	630.7	*2.4*	*-1.0*	*-14.0*	*-29.8*	*3.7*	6.9
	Recovered Revenue	447.4	498.8	556.5	566.8	620.9	630.7	-	*1.4*	*0.1*	*-29.8*	*3.7*	6.9
	Over/Under-Recovery	**69.5**	**42.2**	**28.6**	-	-	-	***-2.4***	***2.4***	***14.1***	-	-	-
	Prior Year Correction	**-96.1**	**-74.5**	**-44.8**	**-30.4**	-	-	-	***2.5***	***-2.6***	***-30.4***	-	-

- Recovered revenue is updated for actual revenue invoiced in September 2026 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 or 07872 819787

For general UoS charges enquiries:	uos.charges@northernpowergrid.com
For DUoS Billing enquiries:	duos.billing@northernpowergrid.com
For Residual Band enquiries:	TCR@northernpowergrid.com

Appendix 1 – Overview of forecast changes - Northeast

Term	Price Base	Sep-26 Forecast						Variance to Prior Forecast					
		2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Fast money	£m 20/21 prices	58.9	66.0	69.1	69.1	74.2	74.4	-	-	-	-	-	-
Depreciation	£m 20/21 prices	108.6	107.0	105.7	103.2	101.0	99.2	-	-	-	-	-	-
Return	£m 20/21 prices	63.9	68.4	66.9	68.9	72.4	76.2	-	-	-4.3	-	-	-
Pass-through	£m 20/21 prices	31.0	34.5	43.5	46.0	46.3	46.5	-	0.2	0.1	-	-	-
Base Revenue	**£m 20/21 prices**	**262.3**	**275.9**	**285.1**	**287.2**	**293.8**	**296.3**	**-**	**0.2**	**-4.2**	**-**	**-**	**-**
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	-5.4	-0.9	3.3	-	-	-	*1.0*	*-3.2*	*-2.9*	-	-	-
Other revenue allowances	£m 20/21 prices	0.6	2.1	1.9	0.6	0.6	0.6	-	*1.6*	*1.4*	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Calculated revenue (before tax)	**£m 20/21 prices**	**257.5**	**277.0**	**290.3**	**287.9**	**294.5**	**296.9**	***1.0***	***-1.4***	***-5.6***	**-**	**-**	**-**
Tax allowance	£m 20/21 prices	10.2	13.4	14.6	12.3	10.2	8.3	*0.3*	*-0.7*	*-1.5*	-	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Calculated revenue	**£m 20/21 prices**	**267.7**	**290.4**	**305.0**	**300.2**	**304.6**	**305.2**	***1.3***	***-2.1***	***-7.2***	**-**	**-**	**-**
Real to nominal prices conversion factor	scalar	1.372	1.413	1.441	1.469	1.499	1.529	-	0.001	0.001	0.001	0.009	0.017
Calculated revenue	**£m nominal**	**367.3**	**410.2**	**439.4**	**441.1**	**456.7**	**466.7**	***1.8***	***-2.8***	***-9.9***	***0.4***	***2.7***	***5.1***
Correction term	£m nominal	-78.9	-58.5	-16.1	-13.0	-	-	-	*1.9*	*-1.1*	*-13.0*	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	2.0	2.2	2.3	-	-	-	-	-	-	-	-	-
Allowed revenue	**£m nominal**	**290.3**	**353.8**	**425.6**	**428.0**	**456.7**	**466.7**	***1.8***	***-0.8***	***-11.0***	***-12.6***	***2.7***	***5.1***
Recovered Revenue	**£m nominal**	**344.9**	**369.0**	**437.9**	**428.0**	**456.7**	**466.7**	**-**	***0.2***	**-**	***-12.6***	***2.7***	***5.1***
Revenue under/(over) recovery	**£m nominal**	**-54.6**	**-15.2**	**-12.3**	**-**	**-**	**-**	***1.8***	***-1.1***	***-11.1***	**-**	**-**	**-**

Appendix 1 – Overview of forecast changes - Yorkshire

Term	Price Base	Sep-26 Forecast						Variance to Prior Forecast					
		2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Fast money	£m 20/21 prices	70.2	83.1	84.5	92.4	98.8	95.9	-	-	-	-	-	-
Depreciation	£m 20/21 prices	142.7	140.3	140.1	139.1	137.5	135.8	-	-	-	-	-	-
Return	£m 20/21 prices	87.1	93.4	91.5	95.5	101.1	107.0	-	-	-5.9	-	-	-
Pass-through	£m 20/21 prices	41.3	46.4	59.3	64.2	64.7	65.2	-0.1	0.7	0.7	-	-	-
Base Revenue	**£m 20/21 prices**	**341.3**	**363.2**	**375.5**	**391.2**	**402.1**	**403.9**	**-0.1**	**0.7**	**-5.3**	**-**	**-**	**-**
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	-9.7	-3.8	1.4	-	-	-	1.4	-4.5	-3.1	-	-	-
Other revenue allowances	£m 20/21 prices	0.9	2.8	2.5	0.9	0.9	0.9	-	2.1	1.9	-	-	-
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Calculated revenue (before tax)	**£m 20/21 prices**	**332.5**	**362.1**	**379.3**	**392.1**	**403.0**	**404.7**	**1.3**	**-1.7**	**-6.5**	**-**	**-**	**-**
Tax allowance	£m 20/21 prices	11.4	12.1	16.2	14.3	11.2	7.8	0.5	-1.1	-1.8	-	-	-
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	-
Calculated revenue	**£m 20/21 prices**	**343.8**	**374.2**	**395.6**	**406.4**	**414.2**	**412.5**	**1.7**	**-2.8**	**-8.3**	**-**	**-**	**-**
Real to nominal prices conversion factor	scalar	1.372	1.413	1.441	1.469	1.499	1.529	-	0.001	0.001	0.001	0.009	0.017
Calculated revenue	**£m nominal**	**471.7**	**528.6**	**569.9**	**597.1**	**620.9**	**630.7**	**2.4**	**-3.5**	**-11.4**	**0.5**	**3.7**	**6.9**
Correction term	£m nominal	-96.1	-74.5	-44.8	-30.4	-	-	-	2.5	-2.6	-30.4	-	-
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	-
Legacy Allowed Revenue	£m nominal	2.4	2.5	2.7	-	-	-	-	-	-	-	-	-
Allowed revenue	**£m nominal**	**377.9**	**456.6**	**527.8**	**566.8**	**620.9**	**630.7**	**2.4**	**-1.0**	**-14.0**	**-29.8**	**3.7**	**6.9**
Recovered Revenue	**£m nominal**	**447.4**	**498.8**	**556.5**	**566.8**	**620.9**	**630.7**	**-**	**1.4**	**0.1**	**-29.8**	**3.7**	**6.9**
Revenue under/(over) recovery	**£m nominal**	**-69.5**	**-42.2**	**-28.6**	**-**	**-**	**-**	**2.4**	**-2.4**	**-14.1**	**-**	**-**	**-**

Appendix 2 – Table 2 Sensitivities

- We have not included any sensitivities in Table 2 in September 2026, 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	Sep-26 Forecast						Variance to Charge Setting Assumptions					
		2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Fast money	£m 20/21 prices	58.9	66.0	69.1	69.1	74.2	74.4	-	-	-	-	-	
Depreciation	£m 20/21 prices	108.6	107.0	105.7	103.2	101.0	99.2	-	-	-	-	-	
Return	£m 20/21 prices	63.9	68.4	66.9	68.9	72.4	76.2	-	-	*-4.3*	-	-	
Pass-through	£m 20/21 prices	31.0	34.5	43.5	46.0	46.3	46.5	*0.2*	-	*0.1*	*-0.1*	*-0.1*	
Base Revenue	**£m 20/21 prices**	**262.3**	**275.9**	**285.1**	**287.2**	**293.8**	**296.3**	***0.2***	**-**	***-4.3***	***-0.1***	***-0.1***	
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	-5.4	-0.9	3.3	-	-	-	*-1.6*	*-3.2*	*-3.0*	-	-	
Other revenue allowances	£m 20/21 prices	0.6	2.1	1.9	0.6	0.6	0.6	*-0.3*	*1.6*	*1.4*	-	-	
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	
Calculated revenue (before tax)	**£m 20/21 prices**	**257.5**	**277.0**	**290.3**	**287.9**	**294.5**	**296.9**	***-1.7***	***-1.6***	***-5.8***	***-0.1***	***-0.1***	
Tax allowance	£m 20/21 prices	10.2	13.4	14.6	12.3	10.2	8.3	*-0.5*	*-1.4*	*-1.8*	-	-	
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	
Calculated revenue	**£m 20/21 prices**	**267.7**	**290.4**	**305.0**	**300.2**	**304.6**	**305.2**	***-2.2***	***-3.1***	***-7.5***	***-0.1***	***-0.1***	
Real to nominal prices conversion factor	scalar	1.372	1.413	1.441	1.469	1.499	1.529	-0.003	0.006	0.006	0.005	0.013	
Calculated revenue	**£m nominal**	**367.3**	**410.2**	**439.4**	**441.1**	**456.7**	**466.7**	***-3.7***	***-2.6***	***-9.1***	***1.3***	***3.7***	
Correction term	£m nominal	-78.9	-58.5	-16.1	-13.0	-	-	*0.1*	*-3.6*	*-4.9*	*-13.0*	-	
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	
Legacy Allowed Revenue	£m nominal	2.0	2.2	2.3	-	-	-	-	-	-	-	-	
Allowed revenue	**£m nominal**	**290.3**	**353.8**	**425.6**	**428.0**	**456.7**	**466.7**	***-3.6***	***-6.1***	***-14.0***	***-11.7***	***3.7***	
Recovered Revenue	**£m nominal**	**344.9**	**369.0**	**437.9**	**428.0**	**456.7**	**466.7**	***-0.6***	***-1.6***	***-1.7***	***-11.7***	***3.7***	
Revenue under/(over) recovery	**£m nominal**	**-54.6**	**-15.2**	**-12.3**	**-**	**-**	**-**	***-3.0***	***-4.6***	***-12.3***	**-**	**-**	

Appendix 3 - Variance to Charge Setting Assumptions - Yorkshire

Term	Price Base	Sep-26 Forecast						Variance to Charge Setting Assumptions					
		2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4	2025/26 t-1	2026/27 t	2027/28 t+1	2028/29 t+2	2029/30 t+3	2030/31 t+4
Fast money	£m 20/21 prices	70.2	83.1	84.5	92.4	98.8	95.9	-	-	-	-	-	
Depreciation	£m 20/21 prices	142.7	140.3	140.1	139.1	137.5	135.8	-	-	-	-	-	
Return	£m 20/21 prices	87.1	93.4	91.5	95.5	101.1	107.0	-	-	*-5.9*	-	-	
Pass-through	£m 20/21 prices	41.3	46.4	59.3	64.2	64.7	65.2	*-0.7*	*-1.4*	*-1.4*	*-0.2*	*-0.2*	
Base Revenue	**£m 20/21 prices**	**341.3**	**363.2**	**375.5**	**391.2**	**402.1**	**403.9**	***-0.7***	***-1.4***	***-7.3***	***-0.2***	***-0.2***	
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	-9.7	-3.8	1.4	-	-	-	*-3.8*	*-4.5*	*-3.1*	-	-	
Other revenue allowances	£m 20/21 prices	0.9	2.8	2.5	0.9	0.9	0.9	*-0.4*	*2.1*	*1.9*	-	-	
Directly Remunerated Services	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	
Calculated revenue (before tax)	**£m 20/21 prices**	**332.5**	**362.1**	**379.3**	**392.1**	**403.0**	**404.7**	***-5.0***	***-3.8***	***-8.5***	***-0.2***	***-0.2***	
Tax allowance	£m 20/21 prices	11.4	12.1	16.2	14.3	11.2	7.8	*-1.2*	*-2.0*	*-2.1*	-	-	
Tax allowance adjustment	£m 20/21 prices	-	-	-	-	-	-	-	-	-	-	-	
Calculated revenue	**£m 20/21 prices**	**343.8**	**374.2**	**395.6**	**406.4**	**414.2**	**412.5**	***-6.2***	***-5.8***	***-10.6***	***-0.2***	***-0.2***	
Real to nominal prices conversion factor	scalar	1.372	1.413	1.441	1.469	1.499	1.529	-0.003	0.006	0.006	0.005	0.013	
Calculated revenue	**£m nominal**	**471.7**	**528.6**	**569.9**	**597.1**	**620.9**	**630.7**	***-9.3***	***-6.0***	***-13.0***	***1.8***	***5.0***	
Correction term	£m nominal	-96.1	-74.5	-44.8	-30.4	-	-	*0.2*	*-11.2*	*-17.7*	*-30.4*	-	
Forecasting penalty	£m nominal	-	-	-	-	-	-	-	-	-	-	-	
Legacy Allowed Revenue	£m nominal	2.4	2.5	2.7	-	-	-	-	-	-	-	-	
Allowed revenue	**£m nominal**	**377.9**	**456.6**	**527.8**	**566.8**	**620.9**	**630.7**	***-9.2***	***-17.2***	***-30.7***	***-28.6***	***5.0***	
Recovered Revenue	**£m nominal**	**447.4**	**498.8**	**556.5**	**566.8**	**620.9**	**630.7**	***1.0***	***-0.5***	***-2.0***	***-28.6***	***5.0***	
Revenue under/(over) recovery	**£m nominal**	**-69.5**	**-42.2**	**-28.6**	**-**	**-**	**-**	***-10.1***	***-16.7***	***-28.6***	**-**	**-**	

Thank you