

Allowed revenue (TO)

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Parameter	Licence cor Units	Term	Constant	Annual values					
PCFM year ending			31 Mar 2021	31 Mar 2021	31 Mar 2022	31 Mar 2023	31 Mar 2024	31 Mar 2025	31 Mar 2026

Allowed revenue determination

Allowed revenue

Calculated revenue (as £m nominal $R_t^* \times P_t^* / P_{I2018/19}$ )		840.5	860.0					
AIP adjustment term (£m nominal $ADJ_t^*$ )		-	-					
Adjusted revenue (as £m nominal $ADJR_t^*$ )		840.5	860.0	880.6	825.0	831.6		
Legacy Allowed Revenue (£m nominal $LAR_t$ )		27.2	(10.15)	-	-	-		
K Correction Factor (£m nominal $K_t$ )		119.819	-	-	-	-		
<b>Allowed Revenue (£m nominal <math>ARR_t</math>)</b>		<b>780.1</b>	<b>987.473</b>	<b>849.883</b>	<b>880.566</b>	<b>825.004</b>	<b>831.593</b>	
Recovered Revenue (£m nominal $RR_t$ )		660.4	-	-	-	-		
			119.747					

AIP adjustment term

Vanilla weighted average annual real WACCt		3.037%	2.952%	2.900%	2.853%		
1 + inflation (from year annual % $P_t+1/P_t$ )		1.016	1.018	1.019	1.020		
Nominal time value of r annual nom $TVM_t$		4.68%	4.79%	4.89%	4.91%		
Calculated revenue (£m 18/19 p $R_t$ )		798.5	804.3	809.1	743.6	734.9	
Real to nominal prices (scalar $P_t / P_{I2018/19}$ )		1.053	1.069	1.088	1.109	1.132	
Calculated revenue (£m nominal $R_t \times P_t / P_{I2018/19}$ )		840.5	860.0	880.6	825.0	831.6	
AIP Adjustment Term (£m nominal $ADJ_t$ )		-	-	-	-	-	
Adjusted revenue (live) (£m nominal $ADJR_t$ )		840.5	860.0	880.6	825.0	831.6	

Correction term

Sterling Overnight Index: annual nom $I_t$		0.06%	0.05%	0.09%	0.14%	0.21%	0.26%
K rate margin (annual nominal %)		1.15%	1.15%	1.15%	1.15%	1.15%	
Over/undercollection p %	6%						
Penal rate proportion (scalar $PRP_t$ )		1.00	1.00	1.00	1.00	1.00	
Penal rate adjustment (annual nom $PRAt$ )		-1.15%	0.00%	0.00%	0.00%	0.00%	
K rate of interest (annual nominal %)		0.06%	1.20%	1.24%	1.29%	1.36%	
Recovered Revenue (+ £m nominal)		660.4	987.5	849.9	880.6	825.0	
K Correction Factor (£m nominal $K_t$ )		-	119.819	-	-	-	

End of sheet