

RIIO baseline databook

Nov 2015 iteration



March 2016

Cautionary statement

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Introduction

Baseline databook

- This databook is a summary of data contained in Ofgem's financial model iteration of November 2015 including Ofgem's baseline view of expenditure
- It does not reflect National Grid forecasts or views of levels of future investment or revenues

Updates from previous databooks

- Data reflects Ofgem's updated baseline view
- Additional updates from 2014 databook reflects Ofgem's November 2015 iteration including updates for 2014/15 actual spend and Ofgem's view of 2014/15 outputs delivered (shown in row 'outputs adjustments')
- RPI used for nominal data has been updated to reflect actual for 14/15 and a revised forecast of RPI post 14/15
- Allowed cost of debt: 2.92% real for 13/14, 2.74% real for 14/15. 2.55% real for 15/16 and 2.38 real for 16/17 and 2.38% thereafter.

Electricity Transmission

Baseline databook

Electricity Transmission

Finance package

Cost of equity	7.0%
Cost of debt	index
Gearing	60%
Transitional measures	1 period/8 years
Totex capitalisation rate (TO)	85%
Totex capitalisation rate (SO)	27.9%
IQI ratio	112
Totex incentive rate	47%

Electricity Transmission

Totex & RAV allowances

£bn	8 year total (nominal)	8 year total (09/10 prices)
TO capex - load-related	1.4	1.2
TO capex - non-load related	6.1	4.8
Uncertainty mechanism capex	4.3	3.5
Uncertainty mechanism opex	0.2	0.2
Controllable opex	2.0	1.6
Totex Incentive Mechanism	(0.8)	(0.7)
TO Totex	14.1	10.6
Non controllable opex	0.9	0.7
SO capex	0.3	0.2
Controllable opex	0.8	0.6
Totex Incentive Mechanism	(0.0)	(0.0)
SO Totex	1.1	0.9
NGET Controllable Totex	15.1	11.4
RAV at 31 March 2013	10.2	8.9
RAV at 31 March 2021	17.3	12.5

Transmission owner (TO) fast/slow money split & RAV roll forward

NGET TO									
£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Baseline Capex allowances	1,390	1,529	1,447	1,366	1,142	1,089	938	766	9,667
Baseline Regulatory Controllable Opex allowances	192	196	203	204	206	206	208	208	1,624
Baseline Totex allowance	1,583	1,725	1,650	1,570	1,348	1,295	1,146	974	11,291
Outputs adjustment	161	(33)	(72)	(94)	(15)	35	18	4	4
Updated Totex allowance	1,744	1,692	1,579	1,477	1,333	1,330	1,164	978	11,295
Capex spend	999	679	1,367	1,258	1,082	1,067	922	765	8,139
Regulatory Controllable Opex spend	200	220	212	219	251	262	242	213	1,818
Totex spend	1,199	899	1,579	1,477	1,333	1,330	1,164	978	9,957
Post-sharing totex	1,454	1,271	1,579	1,477	1,333	1,330	1,164	978	10,585
Fast money	218	191	237	222	200	199	175	147	1,588
Slow money	1,236	1,080	1,342	1,255	1,133	1,130	989	831	8,997
NGET TO & shadow RAV									
£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Opening	8,791	9,282	9,766	10,484	11,083	11,535	11,963	12,240	
Update for TPCR4 Actuals	(177)								
Slow Money	1,236	1,080	1,342	1,255	1,133	1,130	989	831	
Depreciation (Existing Assets)	(569)	(550)	(537)	(523)	(510)	(499)	(480)	(462)	
Depreciation (New Assets)	-	(46)	(87)	(133)	(171)	(203)	(232)	(256)	
Closing Balance	9,282	9,766	10,484	11,083	11,535	11,963	12,240	12,353	

TO allowed revenue calculation

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening (excl Shadow RAV)	8,691	9,187	9,677	10,401	11,083	11,535	11,963	12,240
Update for TPCR4 Actuals	(177)							
Transfers in	-	-	-	82	-	-	-	-
Additions	1,236	1,080	1,342	1,255	1,133	1,130	989	831
Depreciation	(564)	(590)	(618)	(656)	(682)	(702)	(712)	(718)
Closing Balance (Excl Shadow RAV)	9,187	9,677	10,401	11,083	11,535	11,963	12,240	12,353
Closing shadow RAV	95	89	82	-	-	-	-	-

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Fast money	218	191	237	222	200	199	175	147	1,588
Non controllable costs	94	88	88	88	88	88	88	88	708
Pensions	32	32	36	36	36	36	36	36	280
Equity injection costs	-	-	-	-	-	-	-	-	-
IQI adjustment	15	16	16	15	13	13	11	10	109
Tax allowance	89	76	85	77	65	65	67	73	596
Depreciation & return on RAV	962	999	1,043	1,102	1,150	1,189	1,213	1,227	8,884
TIRG revenue	14	13	13	-	-	-	-	-	40
Other Revenue adjustments	45	46	47	46	48	50	52	54	388
Total revenue	1,469	1,460	1,563	1,586	1,600	1,639	1,641	1,634	12,592

Memo: Other Revenue Adjustments

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
TPCR4 base capex incentive	19	20	21	22	23	24	25	26
TPCR4 capex incentive adjustment and Rollover and TII capex incentive	19	20	20	21	22	23	24	25
Excluded services costs	7	6	6	3	3	3	3	3
Other Revenue adjustments	45	46	47	46	48	50	52	54

Memo: Calculation of MOD Adjustments

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total revenue per Nov 2014 model run	1,469	1,460	1,563	1,586	1,600	1,639	1,641	1,634
Less								
TIRG Revenue	14	13	13	-	-	-	-	-
Excluded services revenue	123	123	130	126	127	129	130	132
Regulated base revenue: Nov 2015 model run	1,332	1,324	1,421	1,460	1,473	1,510	1,511	1,502

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Baseline Regulated Base Revenue	1,342	1,444	1,476	1,571	1,555	1,588	1,585	1,572
MOD adjustment		(5)	(114)	(185)				
Annual Iteration Base Revenue	1,342	1,438	1,361	1,386				
Present Value					5,071			
Regulated base revenue: Nov 2015 model run	1,332	1,324	1,421	1,460				
Present Value					5,071			

System operator (SO) fast/slow money split & RAV roll forward

SO RAV									
£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Opening	74	94	106	116	122	126	125	125	
Update for TPCR4 Actuals	3								
Additions	33	31	32	31	32	30	31	32	
Depreciation	(16)	(19)	(22)	(25)	(28)	(30)	(32)	(32)	
Closing Balance	94	106	116	122	126	125	125	125	

SO									
£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Baseline Capex allowances	39	34	31	28	31	21	26	26	238
Baseline Regulatory Controllable Opex allowances	74	75	83	83	84	85	86	88	658
Baseline Totex allowance	113	109	114	112	115	106	113	114	896
Outputs adjustment	13	3	8	6	6	6	6	5	52
Updated Totex allowance	126	112	122	118	120	112	118	120	948
Capex spend	32	34	31	28	31	21	26	26	231
Regulatory Controllable Opex spend	80	77	83	83	84	85	86	88	667
Totex spend	112	112	114	112	115	106	113	114	897
Post-sharing totex	118	112	114	112	115	106	113	114	904
Fast money	85	81	82	81	83	76	81	83	652
Slow money	33	31	32	31	32	30	31	32	252

Electricity Transmission

SO allowed revenue calculation

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Fast money	85	81	82	81	83	76	81	83
Non controllable costs	-	-	-	-	-	-	-	-
Pensions	10	10	11	12	11	11	12	12
Equity injection costs	-	-	-	-	-	-	-	-
IQI adjustment	1	1	1	1	1	1	1	1
Tax allowance	2	1	0	0	1	0	1	1
Depreciation & return on RAV	19	24	27	30	33	35	37	37
Other Revenue adjustments	2	2	2	2	2	2	3	3
Total revenue	120	119	124	126	132	127	134	136

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Baseline Regulated Base Revenue	114	114	114	117	123	118	125	126
MOD adjustment		4	6	21				
Annual Iteration Base Revenue	114	117	120	138				
Present Value					447			
Regulated base revenue: Nov 2015 model run	120	119	124	126				
Present Value					447			

Electricity Transmission

Total summary total RAV (incl. shadow & SO RAV)

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
TO capex - load-related	242	206	183	187	143	124	44	28	1,159
TO capex - non-load-related	506	499	485	489	623	716	784	704	4,806
Uncertainty mechanism capex	803	787	698	581	317	227	94	32	3,539
Uncertainty mechanism opex	1	3	9	14	45	56	34	5	167
Regulatory Controllable opex	192	196	203	204	206	206	208	208	1,624
Totex Incentive Mechanism	(289)	(421)	-	-	-	-	-	-	(711)
TO Totex	1,454	1,271	1,579	1,477	1,333	1,330	1,164	978	10,585
Non controllable opex	94	88	88	88	88	88	88	88	708
SO capex	39	34	29	27	30	20	25	25	231
Regulatory Controllable opex	74	75	77	79	79	80	82	84	629
Totex Incentive Mechanism	(7)	(0)	-	-	-	-	-	-	(7)
SO Totex	106	109	106	106	109	100	107	109	852

Total RAV (including shadow & SO RAV)

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening	8,865	9,376	9,872	10,599	11,205	11,660	12,088	12,365
Update for TPCR4 Actuals	(174)							
Additions	1,322	1,161	1,424	1,336	1,216	1,207	1,071	914
Depreciation	(585)	(615)	(646)	(681)	(710)	(732)	(743)	(750)
Closing Balance	9,376	9,872	10,599	11,205	11,660	12,088	12,365	12,479

Gas Transmission

Baseline databook

Gas Transmission Finance package

	Final proposals
Cost of equity	6.8%
Cost of debt	index
Gearing	62.5%
Transitional measures	N/A
Base Totex capitalisation rate (TO)	64%
UM Totex capitalisation rate (TO)	90%
Totex capitalisation rate (SO)	37.4%
IQI ratio	123
Totex incentive rate	44%

Gas Transmission

Totex & RAV allowances

£bn	8 year total (nominal)	8 year total (09/10 prices)
TO capex - load-related	0.3	0.2
TO capex - non-load related	1.1	0.9
Uncertainty mechanism capex	0.2	0.2
Uncertainty mechanism opex	-	-
Controllable opex	0.8	0.6
Totex Incentive Mechanism	(0.0)	(0.0)
TO Totex	2.3	1.8
Non controllable opex	3.0	2.4
SO capex	0.2	0.2
Uncertainty mechanism capex	0.1	0.1
Uncertainty mechanism opex	0.1	0.1
Controllable opex	0.4	0.3
Totex Incentive Mechanism	(0.0)	(0.0)
SO Totex	0.7	0.6
NGGT Controllable Totex	3.0	2.4
RAV at 31 March 2013	5.3	4.6
RAV at 31 March 2021	7.0	5.0

Transmission owner (TO) fast/slow money split RAV roll forward

NGGT TO

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Totals
Baseline Load-related Capex allowances	25	14	10	60	85	9	0	-	204
Baseline Non-load related Capex allowances	97	110	114	124	138	118	102	91	894
Baseline Regulatory Controllable Opex allowances	64	65	71	79	84	85	81	77	607
Totex allowances	187	190	195	264	307	211	183	169	1,705
Outputs adjustment	27	18	11	13	32	33	21	6	160
Updated Totex allowance	214	208	206	276	340	243	203	175	1,865
Load-related Capex spend	3	1	10	60	85	9	0	-	168
Non-load related Capex spend	115	108	125	137	170	150	122	98	1,025
Regulatory Controllable Opex spend	70	73	71	79	84	85	81	77	620
Totex spend	188	182	206	276	340	243	203	175	1,813
Post-sharing Totex	200	193	206	276	340	243	203	175	1,836
Fast money	63	63	70	95	113	78	67	61	610
Slow money	137	130	135	181	227	165	136	114	1,226

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Existing revenue drivers investment	70	73	71	79	84	85	81	77

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening	4,562	4,630	4,637	4,691	4,826	4,964	4,986	4,957
Update for TPCR4 Actuals	64							
Additions	151	156	205	290	296	186	137	114
Depreciation (Existing Assets)	(146)	(145)	(144)	(144)	(144)	(144)	(143)	(141)
Depreciation (New Assets)	-	(4)	(7)	(10)	(14)	(19)	(23)	(26)
Closing Balance	4,630	4,637	4,691	4,826	4,964	4,986	4,957	4,904

Gas Transmission

TO allowed revenue collection

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening	4,014	4,315	4,305	4,299	4,351	4,895	4,965	4,956
Update for TPCR4 Actuals	64							
Transfers in	175	2	2	15	476	69	21	1
Additions	200	130	135	181	227	165	136	114
Depreciation	(139)	(142)	(143)	(145)	(159)	(164)	(166)	(167)
Closing Balance	4,315	4,305	4,299	4,351	4,895	4,965	4,956	4,904
Shadow RAV	315	332	391	476	69	21	1	-

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Fast money	63	63	70	95	113	78	67	61
Non controllable costs	110	110	110	110	110	110	110	110
Pensions	41	41	65	65	66	66	67	67
Equity injection costs	-	-	-	-	-	-	-	-
IQI adjustment	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)
Tax allowance	9	12	17	22	29	22	23	26
Depreciation & return on RAV	322	321	318	316	351	360	363	363
Revenue adjustments	(10)	(9)	(9)	(9)	10	11	11	12
Regulated revenue	534	537	570	598	677	646	641	639
Excluded service revenue	4	3	3	3	3	3	3	3
Total revenue	538	540	573	601	680	649	644	642

MOD adjustment

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Baseline Regulated Base Revenue	539	543	548	581	659	627	622	620
MOD adjustment		8	10	10				
Annual Iteration Base Revenue	539	551	558	591				
Present Value					2,058			
Regulated base revenue: Nov 2015 model run	534	537	570	598				
Present Value					2,058			

System operator (SO) fast/slow money split & RAV roll forward

SO									
£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Capex allowances	41	32	25	25	22	18	19	17	199
Regulatory Controllable Opex allowances	44	46	51	52	51	50	49	50	392
Totex allowances	85	79	76	77	73	68	68	66	591
Outputs adjustment	13	-	-	-	-	-	-	-	13
Updated Totex allowance	98	79	76	77	73	68	68	66	604
Capex spend	18	27	25	25	22	18	19	17	171
Regulatory Controllable Opex spend	35	40	51	52	51	50	49	50	377
Totex spend	53	68	76	77	73	68	68	66	548
Post-sharing Totex	73	72	76	77	73	68	68	66	573
Fast money	46	45	47	48	46	42	43	42	359
Slow money	27	27	28	29	27	25	25	25	214

SO RAV									
£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Opening	53	67	80	92	101	107	107	106	
Update for TPCR4 Actuals	(3)								
Additions	27	27	28	29	27	25	25	25	
Depreciation	(11)	(14)	(16)	(19)	(22)	(25)	(26)	(27)	
Closing Balance	67	80	92	101	107	107	106	105	

Gas Transmission

SO allowed revenue calculation

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Fast money	46	45	47	48	46	42	43	42
Non controllable costs	-	-	-	-	-	-	-	-
Equity injection costs	-	-	-	-	-	-	-	-
IQI adjustment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Tax allowance	2	1	(0)	-	-	-	0	1
Depreciation & return on RAV	13	17	20	23	26	29	31	31
Revenue adjustments	0	0	1	1	1	1	1	1
Regulated revenue	61	63	68	72	72	71	74	74
NGGT SO Revenue Driver Income	94	87	79	59	0	0	-	-
Total revenue	155	151	147	130	72	72	74	74

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Baseline Regulated Base Revenue	67	67	69	73	74	73	75	74
MOD adjustment		(1)	(14)	1				
Annual Iteration Base Revenue	67	67	55	74				
Present Value					241			
Regulated base revenue: Nov 2015 model run	61	63	68	72				
Present Value					241			

Totex summary & total RAV (including shadow SO RAV)

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
TO baseline capex - load-related	25	14	10	60	85	9	0	-	204
TO baseline capex - non-load related	97	110	114	124	138	118	102	91	894
Uncertainty mechanism capex	27	18	11	13	32	33	21	6	160
Uncertainty mechanism opex	-	-	-	-	-	-	-	-	-
Controllable opex	64	65	71	79	84	85	81	77	607
Totex incentive mechanism	(14)	(14)	-	-	-	-	-	-	(29)
TO Totex	200	193	206	276	340	243	203	175	1,836
Non controllable opex	110	110	110	110	110	110	110	110	882
SO baseline capex	34	27	19	16	14	13	15	13	150
Uncertainty mechanism capex	20	5	7	9	8	5	4	4	61
Uncertainty mechanism opex	6	8	12	15	13	11	10	10	85
Controllable opex	38	39	39	37	38	38	39	39	307
Totex incentive mechanism	(25)	(6)	-	-	-	-	-	-	(31)
SO Totex	73	72	76	77	73	68	68	66	573
NGGT Controllable Totex	272	266	281	353	413	311	271	241	2,409

Total RAV (including shadow & SO RAV)

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening	4,615	4,697	4,717	4,783	4,928	5,071	5,094	5,063
Additions	239	183	233	318	324	211	162	139
Depreciation	(157)	(163)	(167)	(173)	(181)	(188)	(193)	(194)
Closing Balance	4,697	4,717	4,783	4,928	5,071	5,094	5,063	5,008

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Existing revenue drivers income	94	87	79	59	0	0	-	-
Existing revenue drivers investment	14	26	69	108	69	21	1	-

Gas Distribution

Baseline databook

Transmission owner (TO) fast/slow money split RAV roll forward

All Gas Distribution Networks				
	13/14	14/15	15/16	16/17
Cost of equity			6.7%	
Cost of debt	2.92%	2.72%	2.55%	2.38%
Gearing			65%	
WACC	4.24%	4.11%	4.00%	3.89%
Transitional measures	1 period repex, stepped 50% to 100%			

	West Midlands	London	East of England	North West
Totex capitalisation rate	Repex 50-100% Other 25%	Repex 50-100% Other 24%	Repex 50-100% Other 27%	Repex 50-100% Other 26%
IQI ratio*	107	118	111	110
Totex incentive rate*	64%	62%	63%	63%

*Group IQI score of 112 and totex incentive rate of 63% - applied to all networks.

Gas Distribution

Totex and RAV allowances

	West Midlands		London		East of England		North West	
£m	8 year total (nominal)*	8 year total (09/10 prices)	8 year total (nominal)	8 year total (09/10 prices)	8 year total (nominal)	8 year total (09/10 prices)	8 year total (nominal)	8 year total (09/10 prices)
Capex	220	174	275	218	450	355	319	252
Repex	702	551	1,358	1,063	1,087	854	880	691
Controllable opex	654	515	844	665	1,169	921	850	670
Non controllable	507	399	533	420	979	772	740	583
Post-TIM allowance	2,083	1,639	3,011	2,367	3,685	2,902	2,788	2,197
RAV at 31 Mar 13	1,519	1,321	1,889	1,644	2,914	2,535	2,003	1,743
RAV at 31 Mar 21	1,920	1,355	2,741	1,934	3,529	2,490	2,517	1,776

*Based on closing RPI forecast

	Total (nominal)	Total (09/10 prices)
Capex	1,264	1,000
Repex	4,027	3,160
Controllable opex	3,518	2,771
Non controllable	2,759	2,174
Post-TIM allowance	11,567	9,104
RAV at 31 Mar 13	8,326	7,243
RAV at 31 Mar 21	10,707	7,554

*Based on closing RPI forecast

Gas Distribution

Fast/slow money split & RAV roll forward

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Baseline Net repex allowances	399	397	404	400	410	407	412	416	3,244
Baseline Regulatory capex allowances	147	129	119	112	119	115	103	91	936
Baseline Controllable opex allowances	345	340	343	350	344	343	344	338	2,747
Baseline Totex Allowance	891	866	866	861	874	866	858	845	6,927
Allowance adjustment	(2)	1	6	9	26	21	9	5	76
Updated Totex Allowance	889	867	872	871	900	886	867	851	7,003
Net repex spend	280	282	406	401	411	408	413	417	3,019
Regulatory capex spend	134	127	122	119	144	134	110	95	985
Controllable opex spend	365	370	344	350	345	344	344	339	2,801
Totex Spend	779	779	872	871	900	886	867	851	6,806
Post sharing totex	848	835	872	871	900	886	867	851	6,930
Repex	352	351	406	401	411	408	413	417	3,160
Other totex	497	483	466	469	489	478	454	434	3,771
RAV additions									
Capitalised repex	176	201	261	287	323	350	384	417	2,398
Other slow money	127	123	118	119	124	122	116	111	960
Other adjustments and disposals	5	2	(1)	(5)	(4)	(4)	(7)	(6)	(21)
Total RAV additions	308	326	378	401	443	468	493	521	3,337
Fast money									
Controllable totex	848	835	872	871	900	886	867	851	6,930
Less RAV additions	(302)	(324)	(379)	(406)	(448)	(472)	(499)	(527)	(3,357)
Total fast money	546	511	493	465	452	415	368	324	3,573

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening	7,243	7,194	7,157	7,199	7,262	7,345	7,422	7,493
Additions	308	326	378	401	443	468	493	521
Depreciation (Existing Assets)	(317)	(310)	(302)	(295)	(287)	(280)	(273)	(265)
Depreciation (Backlog Depreciation)	(39)	(39)	(7)	-	(13)	(33)	(53)	(79)
Depreciation (New Assets)	-	(14)	(27)	(43)	(60)	(78)	(96)	(115)
Closing Balance	7,194	7,157	7,199	7,262	7,345	7,422	7,493	7,554

Gas Distribution

Allowed revenue calculation

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening	7,243	7,194	7,157	7,199	7,262	7,345	7,422	7,493
Additions	308	326	378	401	443	468	493	521
Depreciation	(356)	(362)	(336)	(338)	(360)	(391)	(422)	(460)
Closing Balance	7,194	7,157	7,199	7,262	7,345	7,422	7,493	7,554
Fast money	546	511	493	465	452	415	368	324
Non controllable costs (exc pension deficit)	269	266	266	258	257	256	256	255
Pension Deficit	13	13	11	11	11	11	11	11
Equity injection costs	-	-	-	-	-	-	-	-
IQI adjustment	5	4	4	4	4	4	4	4
Tax allowance	53	45	114	105	107	104	98	98
Depreciation & return on RAV	656	652	618	614	639	673	706	747
Revenue adjustments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total revenue	1,542	1,491	1,505	1,455	1,470	1,462	1,443	1,438

£m (2009/10 prices)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Baseline Regulated Base Revenue	1,542	1,494	1,522	1,489	1,488	1,484	1,476	1,474
MOD adjustment		(11)	(23)	(19)				
Annual Iteration Base Revenue	1,542	1,483	1,499	1,470				
Present Value					5,504			
Regulated base revenue: Nov 2015 model run	1,542	1,491	1,505	1,455				
Present Value					5,504			