

Allowed revenue (SO)		31 Mar 2024			Annual values				
Parameter	Licence Units	Term	Constant	31Mar 2022	31Mar 2023	31Mar 2024	31Mar 2025	31Mar 2026	
Allowed revenue determination									
Allowed revenue									
Calculated revenue (as published)	£m nominal	$SOR^t \times PI^t / PI_{2019/19}$		207.2	422.6	645.6			
AIP adjustment term (as published)	£m nominal	$SOADJ^t$		-	126.4	412.1			
Adjusted revenue (as published)	£m nominal	$SOADJR^t$		207.2	549.0	1,057.7	481.7	359.8	
Legacy Allowed Revenue	£m nominal	$SOLAR^t$		(5.6)	(27.8)	-	-	-	
K Correction Factor	£m nominal	SOK^t		(3.5)	(7.2)	-	-	-	
Allowed Revenue	£m nominal	$SOAR^t$		198.1	514.0	1,057.7	481.7	359.8	
Recovered Revenue	£m nominal	$SORR^t$		205.2	-	-	-	-	
AIP adjustment term									
Vanilla weighted average cost of capital	annual real %	$WACC^t$		3.037%	2.563%	2.914%	2.894%		
1+ inflation (from year t to t+1)	annual %	PI_{t+1}/PI_t		1.036	1.024	1.021	1.020		
Nominal time value of money	annual nominal %	$TVMt$		6.71%	5.48%	5.03%	4.95%		
Calculated revenue	£m 1819 prices	SOR^t		316.3	711.6	563.3	411.8	301.5	
Real to nominal prices conversion factor	scalar	$PI_t / PI_{2019/19}$		1.080	1.119	1.146	1.170	1.193	
Calculated revenue	£m nominal	$SOR^t \times PI_t / PI_{2019/19}$		341.7	796.2	645.6	481.7	359.8	
AIP Adjustment Term	£m nominal	$SOADJ^t$		-	143.6	412.1	-	-	
Adjusted revenue (live)	£m nominal	$SOADJR^t$		341.7	939.7	1,057.7	481.7	359.8	
Correction term									
Sterling Overnight Index Average (SONIA)	annual nominal %	i_t		0.19%	1.15%	1.28%	1.14%	1.00%	
K rate margin	annual nominal %			1.15%	1.15%	1.15%	1.15%		
Over/undercollection percentage for penal rate adjustment	%		6%						
Penal rate proportion	scalar	$SOPRP^t$		1.00	1.00	1.00	1.00		
Penal rate adjustment	annual nominal %	$SOPRA^t$		0.00%	0.00%	0.00%	0.00%		
K rate of interest	annual nominal %			1.34%	2.30%	2.43%	2.29%		
Recovered Revenue (+ forecast)	£m nominal			205.2	514.0	1,057.7	481.7		
K Correction Factor	£m nominal	SOK^t		(3.5)	(7.2)	-	-	-	
End of sheet									