

2015-2023

RIIO-ED1 BUSINESS PLAN

Errata document

December 2013

Errata document

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1 Introduction

- 1.1 On 1st July 2013, Western Power Distribution (WPD) published its Business Plan for the regulatory period 2015/16 to 2022/23. Coincidental with the publication of the Business Plan, WPD submitted to Ofgem a set of Business Plan Data Templates (BPDTs) and a set of Price Control Financial Models (PCFMs).
- 1.2 Since 1st July 2013, the Business Plan, the BPDTs and the PCFMs have been reviewed by Ofgem. These reviews have clarified assumptions and identified that a small number of minor amendments to the Business Plan document are required to make it align with the final Price Control Financial Model. The amendments have minimal impact on total revenues for WPD.
- 1.3 This errata document provides details of the amendments; as required by Ofgem's fast track consultation letter published on 22nd November 2013.
- 1.4 The main body of this errata document contains a number of additional tables that summarise the amendments. The specific Business Plan tables that are amended are reproduced in the appendix.
- 1.5 It should be noted that Ofgem has used different cost classifications and therefore some figures in the WPD Business Plan narrative may not match values published by Ofgem. This point is acknowledged by Ofgem in footnote 13 on page 15 of the RIIO-ED1: Draft Determination for Western Power Distribution document.
- 1.6 Some tables have been produced that contain minor rounding differences, which lead to minor variations between totals and the sum of components.

2 WPD Business Plan July 2013 – cost classification

- 2.1 Our Business Plan expenditure forecast for the period 2015/16 to 2022/23 amounted to £9,310m in 2012/13 prices, excluding financing costs and tax. We classified this as either core expenditure (£6,250m) or other expenditure (£3,060m) as detailed on page 79 of the WPD Business Plan Overview Document.
- 2.2 Ofgem has used different cost classifications; the table below re-states our Business Plan into the Ofgem cost classifications of totex, non-controllable opex and deficit pension contributions:

WPD Business Plan – Ofgem cost classification in RIIO-ED1 (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Core expenditure	1,877.0	1,879.3	990.4	1,503.3	6,250.0
Smart metering	20.6	21.6	10.0	14.6	66.8
Real price effects	143.1	141.6	71.8	112.2	468.7
Normal pension contributions	84.7	84.5	62.3	98.8	330.3
Totex	2,125.4	2,127.0	1,134.5	1,728.9	7,115.8
Rates	276.0	362.7	144.8	146.4	929.9
Licence fees	9.6	10.4	4.0	6.4	30.4
Transmission exit charges	107.9	92.7	68.7	71.6	340.9
Non-controllable opex	393.5	465.8	217.5	224.4	1,301.2
Deficit pension contributions	180.0	176.8	204.8	331.2	892.8
Total expenditure	2,698.9	2,769.6	1,556.8	2,284.5	9,309.8

3 Totex amendments

- 3.1 Within core expenditure the only amendment is to inspection and maintenance costs. This amendment is needed because of a formula error in the regulatory BPDTs which did not capture the costs associated with cut-outs.
- 3.2 Our Business Plan included DUoS funding for smart metering costs for the last two years of RIIO-ED1 amounting to £14.7m. Since submitting our plan it has been confirmed that such costs should not be funded through DUoS. In addition, the Data Communication Company (DCC) licence fees and ongoing indirect/IT costs relating to smart metering amounting to £24.3m are also to be treated as pass through items and therefore classified as non-controllable opex.
- 3.3 The reduction in smart metering costs funded through DUoS has led to a consequential reduction in associated real price effects.
- 3.4 Miscellaneous includes pension and rounding adjustments (see Appendix 11).
- 3.5 These totex amendments are shown in the table below:

Totex amendments in RIIO-ED1 (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Totex in Business Plan July 13	2,125.4	2,127.0	1,134.5	1,728.9	7,115.8
Inspection and maintenance	0.7	0.9	0.3	0.5	2.4
Smart metering in totex	-11.9	-12.3	-5.9	-8.9	-39.0
Real price effect	-1.1	-0.8	-0.4	-0.2	-2.5
Miscellaneous	-2.2	-0.4	-2.3	-0.3	-5.2
Totex in updated Business Plan	2,110.9	2,114.4	1,126.2	1,720.0	7,071.5

4 Non-controllable opex amendments

- 4.1 Smart metering costs shown under this heading represent the pass through element (as detailed in section 3.2).
- 4.2 It has now been confirmed that carbon reduction commitments are to be DUoS funded.

Non-controllable opex amendments in RIIO-ED1 (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Business Plan July 13	393.5	465.8	217.5	224.4	1,301.2
Smart metering – pass through	7.4	7.6	3.6	5.7	24.3
Carbon reduction commitments	0.8	0.8	0.8	0.8	3.2
Miscellaneous	0.4	0.3	0.0	-0.2	0.5
Amended Plan	402.1	474.5	221.9	230.7	1,329.2

5 Deficit pension contributions amendment

- 5.1 In our Business Plan we did not include legacy adjustments for deficit pension contributions within expenditure but separately with other legacy adjustments in the PCFMs. However, within the draft determination Ofgem now include deficit pension contributions within expenditure.

Deficit pensions contributions amendments in RIIO-ED1 (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Business Plan July 13	180.0	176.8	204.8	331.2	892.8
Legacy adjustments	9.4	9.7	-4.9	-6.8	7.4
Amended Plan	189.4	186.5	199.9	324.4	900.2

6 WPD Business Plan – after all amendments

- 6.1 In summary the amendments for WPD amount to a reduction of £8.9m, which represents a total change of -0.1% as shown in the table below:

WPD Business Plan – after all amendments (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Business Plan July 13	2,698.9	2,769.6	1,556.8	2,284.5	9,309.8
Total amendments	3.5	5.8	-8.8	-9.4	-8.9
Amended Plan	2,702.4	2,775.4	1,548.0	2,275.1	9,300.9
Change %	0.13%	0.21%	-0.57%	-0.41%	-0.10%

- 6.2 The table below re-states our Business Plan into the Ofgem cost classifications of totex, non-controllable opex and deficit pension contributions:

WPD Business Plan – Ofgem costs classifications (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Core expenditure	1,877.7	1,880.2	990.7	1,503.8	6,252.4
Smart metering	8.7	9.3	4.1	5.7	27.8
Real price effects	142.0	140.8	71.4	112.0	466.2
Normal pension contributions	84.7	84.5	62.3	98.8	330.3
Miscellaneous	-2.2	-0.4	-2.3	-0.3	-5.2
Totex	2,110.9	2,114.4	1,126.2	1,720.0	7,071.5
Rates	276.0	362.7	144.8	146.4	929.9
Licence Fees	9.6	10.4	4.0	6.4	30.4
Transmission exit charges	107.9	92.7	68.7	71.6	340.9
Smart Metering - pass through	7.4	7.6	3.6	5.7	24.3
Carbon reduction commitments	0.8	0.8	0.8	0.8	3.2
Miscellaneous	0.4	0.3	0.0	-0.2	0.5
Non controllable opex	402.1	474.5	221.9	230.7	1,329.2
Deficit pension contributions	189.4	186.5	199.9	324.4	900.2
Total expenditure	2,702.4	2,775.4	1,548.0	2,275.1	9,300.9

- 6.3 The total expenditure categorised into totex, non-controllable opex and deficit contributions for each of our four DNOs ties up to the amounts in the PCFMs issued by Ofgem alongside the RIIO-ED1: Draft Determination for Western Power Distribution.
- 6.4 On page 15 of the RIIO-ED1: Draft Determination for Western Power Distribution, Ofgem indicates that total expenditure (base totex) excludes variant expenditure. Variant expenditure represents cost allowances on those activities which are subject to uncertainty mechanisms such as specified streetworks, visual amenity and worst served customers. The make-up of non-variant and variant expenditure is shown in the table below:

WPD Business Plan – Totex in RIIO-ED1 (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Non-variant expenditure (base)	2,106.0	2,111.0	1,123.1	1,714.5	7,054.6
Variant expenditure	4.9	3.4	3.1	5.5	16.9
Totex	2,110.9	2,114.4	1,126.2	1,720.0	7,071.5

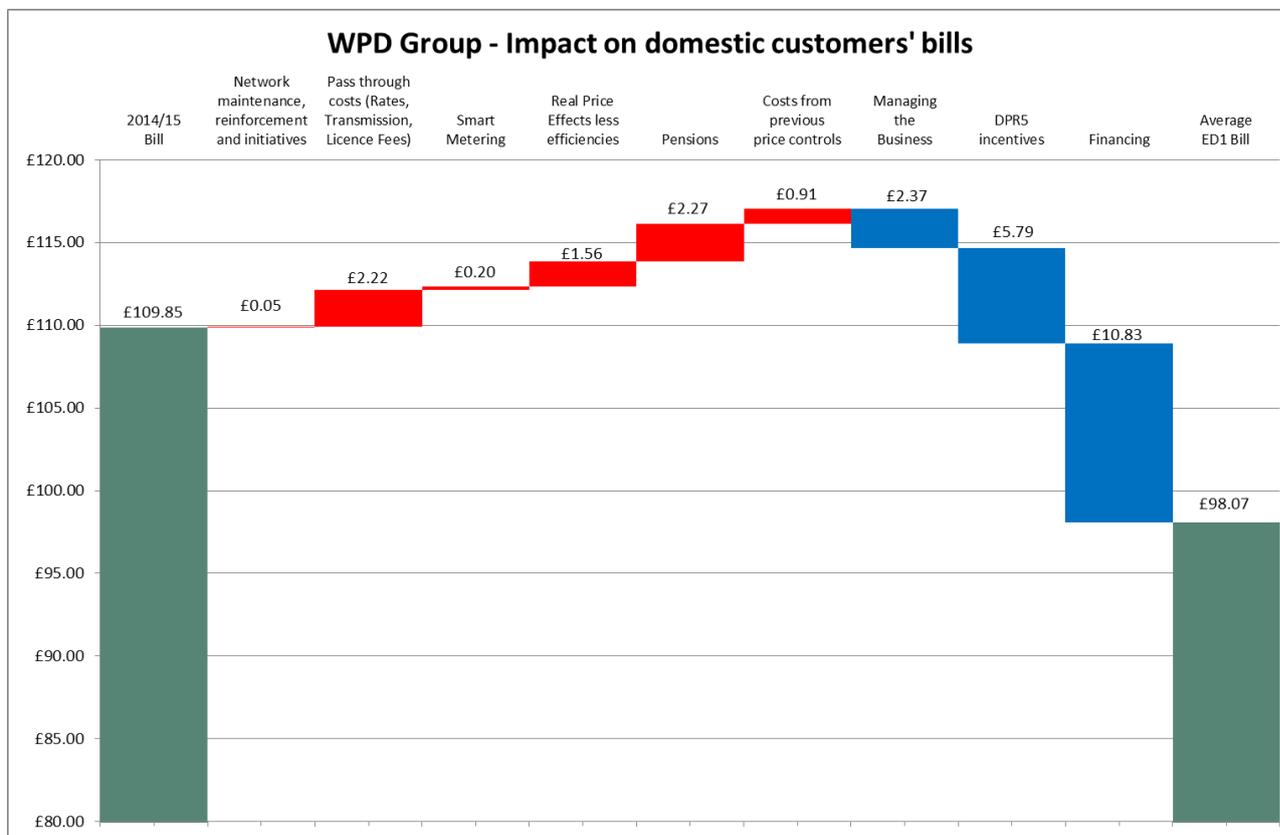
7 Alignment to Ofgem's PCFM

- 7.1** In addition to the amendments to expenditure there have been changes to the tax allowance and calculation of the Information Quality Incentive (IQI) Additional Income funded through DUoS.
- 7.2** The change to the tax allowance is to bring WPD's methodology into line with the PCFMs for:
- tax pool allocation categories, following Ofgem's changes;
 - tax allowance calculations, following Ofgem's changes;
 - implied interest calculations per Ofgem.
- 7.3** The small change to the IQI Additional Income is due to the decision by Ofgem to exclude variant expenditure from totex in the IQI Additional Income calculation.

Amendments to Tax Allowance and IQI Additional Income (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Tax allowances	6.4	6.5	2.7	3.9	19.5
IQI Additional Income	-0.2	0.0	-0.1	-0.1	-0.4

8 Impact on customers' bills

8.1 The chart below updates the impact on customers' bills based on the changes in expenditure above. WPD overall charges now reduce by an average of **10.7%** before inflation during RIIO-ED1 compared to **10.9%** as stated in the 1st July 2013 Business Plan (Overview document paragraph 13.3 and Supplementary Annex SA-07 paragraph 15.3).



8.2 The “Financing” column in the above chart has changed from £11.00 in the 1st July 2013 Business Plan to £10.83 due to bringing WPD’s calculations into line with Ofgem’s PCFM with respect to the calculation of tax allowances and the Fast Track Reward.

- 8.3 The detailed impact on both domestic and business customers' bills for each WPD DNO is shown below. The amendment replaces the tables shown in paragraph 13.4 of the Overview document and paragraph 15.4 of Supplementary Annex SA-07 Financing the plan.

How this will impact domestic customer bills

In 2012/13 prices

WPD West Midlands	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-8.0%	0.9%	-5.3%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£8.14	£0.86	-£4.94	£0.89	£0.90	£0.91	£0.91	£0.93
Total distribution charge	£101.17	£93.03	£93.89	£88.95	£89.84	£90.74	£91.65	£92.56	£93.49

WPD East Midlands	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-5.7%	0.9%	-4.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£5.04	£0.78	-£3.32	£0.80	£0.81	£0.83	£0.83	£0.83
Total distribution charge	£88.11	£83.07	£83.85	£80.53	£81.33	£82.14	£82.97	£83.80	£84.63

WPD South Wales	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-20.4%	1.0%	-1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£25.73	£0.98	-£1.15	£1.00	£1.02	£1.02	£1.03	£1.05
Total distribution charge	£126.28	£100.55	£101.53	£100.38	£101.38	£102.40	£103.42	£104.45	£105.50

WPD South West	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-14.5%	1.0%	-0.4%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£19.89	£1.15	-£0.52	£1.18	£1.19	£1.21	£1.22	£1.23
Total distribution charge	£137.52	£117.63	£118.78	£118.26	£119.44	£120.63	£121.84	£123.06	£124.29

WPD Total (weighted average)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-11.0%	0.9%	-3.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£12.08	£0.93	-£3.11	£0.96	£0.97	£0.97	£0.99	£0.99
Total distribution charge	£109.85	£97.77	£98.70	£95.59	£96.55	£97.52	£98.49	£99.48	£100.47

Notes

- 1 Revenues are profiled on a "Po/x basis"; revenues fall in 2015/16 and thereafter increase by 1.0% in real terms other than for DPCR5 IIS
- 2 DPCR4 losses excluded because of uncertainty
- 3 Smart metering included
- 4 K factor included in 2014/15
- 5 DPCR5 tax trigger impact included in 2014/15 and thereafter zero
- 6 DPCR5 IIS included in 2014/15, 2015/16 and 2016/17 and thereafter zero
- 7 IFI and LCNF included for DPCR5; NIA and NIC excluded for RIIO-ED1
- 8 Domestic bill represents Profile 1

How this will impact business customer bills

In 2012/13 prices

WPD West Midlands	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-8.0%	0.9%	-5.3%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£19.61	£2.06	-£11.89	£2.14	£2.16	£2.19	£2.21	£2.23
Total distribution charge	£243.71	£224.10	£226.16	£214.27	£216.41	£218.57	£220.76	£222.97	£225.20

WPD East Midlands	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-5.7%	0.9%	-4.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£12.71	£1.96	-£8.37	£2.03	£2.05	£2.07	£2.09	£2.11
Total distribution charge	£222.01	£209.30	£211.26	£202.89	£204.92	£206.97	£209.04	£211.13	£213.24

WPD South Wales	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-20.4%	1.0%	-1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£76.89	£2.92	-£3.44	£3.00	£3.03	£3.06	£3.09	£3.12
Total distribution charge	£377.44	£300.55	£303.47	£300.03	£303.03	£306.06	£309.12	£312.21	£315.33

WPD South West	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-14.5%	1.0%	-0.4%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£44.10	£2.56	-£1.17	£2.62	£2.65	£2.67	£2.70	£2.73
Total distribution charge	£304.88	£260.78	£263.34	£262.17	£264.79	£267.44	£270.11	£272.81	£275.54

WPD Total (weighted average)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage change in distribution costs	n/a	-11.0%	0.9%	-3.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual change in £'s	n/a	-£30.37	£2.33	-£7.81	£2.41	£2.43	£2.45	£2.48	£2.50
Total distribution charge	£276.37	£246.00	£248.33	£240.52	£242.92	£245.35	£247.80	£250.28	£252.79

Notes

- 1 Revenues are profiled on a "Po/x basis"; revenues fall in 2015/16 and thereafter increase by 1.0% in real terms other than for DPCR5 IIS
- 2 DPCR4 losses excluded because of uncertainty
- 3 Smart metering included
- 4 K factor included in 2014/15
- 5 DPCR5 tax trigger impact included in 2014/15 and thereafter zero
- 6 DPCR5 IIS included in 2014/15, 2015/16 and 2016/17 and thereafter zero
- 7 IFI and LCNF included for DPCR5; NIA and NIC excluded for RIIO-ED1
- 8 Business bill represents Profile 3

8.4 It should be noted that there are likely to be further changes before customers' bills are finalised for RIIO-ED1. This is because:

- Ofgem intend to further review RAV, pension deficit payments and other legacy adjustments for previous price control periods;
- Ofgem intend to further review tax pool allocations for all DNOs during the period leading up to the slow track determination;
- Ofgem intend to implement an annual iteration process in RIIO-ED1 whereby on an annual basis commencing in November 2016, Ofgem will adjust published revenues for the forthcoming regulatory year for such items as the interest allowance updated for actual trailing average interest rates and actual expenditure incurred;
- WPD will be given the opportunity to re-profile revenues at the time of the slow track determination to reflect any changes that are due to movements in the cost of debt, tax pool allocations and legacy. Ofgem has indicated that the revenue profile will need to be "recognisably consistent" with the profile set in our Business Plan;
- RIIO-ED1 revenues will incorporate rewards/penalties from DPCR5 incentive schemes such as the Interruptions Incentive Scheme and Broad Measure of Customer Satisfaction.

8.5 The distribution charges for 2014/15 in the above tables are forecasts and are the same as in the 1st July 2013 Business Plan, so that the reader has a like-for-like comparison. Actual distribution charges for 2014/15 will differ to the Business Plan because of a number of factors including more up-to-date information on distribution units and NGC exit charges.

9 Amendments to narrative

9.1 Ofgem's review process has identified a typographical error for the volume of oversize transformers that will be installed within the narrative in paragraph 10.147 of the Overview document.

9.2 Paragraph 10.147 should be:

In the meantime WPD will adopt a selective programme of oversizing transformers where we identify coincident LCT clustering that requires re-sizing of the transformer at a later date. Data from the CSE informs us that 7% of the network will be subject to LCT hotspots and to deal with these we will install **109** oversize transformers at an incremental cost of £0.1m.

Appendix – Amendments to tables in the Business Plan

The following sections provide the details of tables affected by the errata.

Since some of the changes affect tables that appear in more than one place in the Business Plan suite of documents, the errata are organised by topic. The locations where the data appears in the Business Plan are identified within the errata.

10 Inspection and maintenance expenditure

- 10.1** The expenditure forecast for RIIO-ED1 did not include the costs for inspection and maintenance of cut-outs. This was caused by formulae errors in the regulatory Business Plan Data Templates.
- 10.2** The amendment increases the total RIIO-ED1 expenditure on inspection and maintenance by £2.4m.
- 10.3** This change affects the following tables in the Business Plan:
- Inspection and maintenance expenditure table in paragraph 10.162 of the WPD Business Plan Overview document;
 - Inspection and maintenance expenditure table in paragraph 27.21 of Supplementary Annex SA-05 Expenditure;
 - Core expenditure funded through DUoS table in paragraph 10.8 of the WPD Business Plan Overview document;
 - Expenditure within the price control table in paragraph 2.1 of Supplementary Annex SA-05 Expenditure;
 - All five core expenditure forecast tables (total, West Midlands, East Midlands, South Wales and South West) following paragraph 10.10 in the WPD Business Plan Overview document;
 - All five core expenditure forecast tables (total, West Midlands, East Midlands, South Wales and South West) in section 2 of Supplementary Annex SA-05 Expenditure;
 - All five summary core cost tables including pensions tables (total, West Midlands, East Midlands, South Wales and South West) in Appendix A3 of Supplementary Annex SA-05 Expenditure.
- 10.4** The inspection and maintenance expenditure tables in paragraph 10.162 of the Overview document and paragraph 27.21 of Supplementary Annex SA-05 Expenditure should be:

Inspection and maintenance expenditure (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
DPCR5 Annual Average	12.8	12.0	5.7	6.5	37.0
RIIO-ED1 Annual Average	8.0	7.2	4.1	5.4	24.8
RIIO-ED1 Total (8 years)	64.2	57.6	33.0	43.5	198.4

10.5 The core expenditure funded through DUoS table in paragraph 10.8 (page 79) of the WPD Business Plan Overview document should be:

Core expenditure funded through DUoS (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Reinforcement of the network	198.0	267.2	48.6	84.7	598.5
Non-load network investment	664.2	587.3	396.9	575.1	2,223.5
Network operating costs	355.0	370.9	194.1	304.9	1,224.9
Engineering management	288.6	290.8	147.9	214.5	941.8
Corporate activities	87.0	83.2	47.3	75.8	293.3
Workforce renewal	47.7	47.7	35.6	46.9	177.9
Vehicles, IT, property & engineering equipment	237.2	233.1	120.3	201.9	792.5
Total	1,877.7	1,880.2	990.7	1,503.8	6,252.4

10.6 The change to network operating costs affects the values in a number of places throughout the narrative of the Business Plan. These include:

- The value for network operating costs in the pie chart in paragraph 2.44 (page 12) of the WPD Business Plan Overview document should be 1,225 (instead of 1,223);
- The value in the third bullet of paragraph 2.45 of the same document should be £1,225m;

10.7 Core expenditure summary tables (excluding pension) also include details for inspection and maintenance. The following five tables provide errata for:

- All five core expenditure forecast tables (total, West Midlands, East Midlands, South Wales and South West) following paragraph 10.10 in the WPD Business Plan Overview document;
- All five core expenditure forecast tables (total, West Midlands, East Midlands, South Wales and South West) in section 2 of Supplementary Annex SA-05 Expenditure.

WPD Total - Core costs funded through DUoS											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-7.5	6.5	6.0	5.9	6.2	6.6	6.7	6.7	6.8	7.1	52.0
General Network Reinforcement	53.4	43.4	69.9	64.6	36.6	46.8	36.9	31.8	35.4	25.5	347.5
Reinforcement for Low Carbon Technologies	0.0	24.9	4.7	4.7	9.3	18.3	27.3	36.2	45.0	53.6	199.0
TOTAL - Reinforcement of the Network	45.9	74.8	80.6	75.2	52.1	71.7	70.9	74.7	87.2	86.2	598.5
Asset Replacement	192.4	202.6	203.6	204.4	202.5	203.4	202.7	202.2	201.8	200.2	1620.8
Diversions	25.6	39.2	53.6	52.0	37.2	37.5	28.5	32.9	33.4	38.4	313.5
Quality of Supply (reducing power cuts)	12.6	3.7	5.1	5.1	5.0	4.9	4.9	4.9	0.0	0.0	29.9
Improving service for remote ("worst served") customers	0.3	0.4	0.0	1.6	1.6	0.0	0.0	0.0	0.0	0.0	3.2
Real Time Control Systems and Telecommunications	14.1	12.0	18.9	11.5	24.0	12.5	6.3	8.6	3.6	10.6	96.0
Protecting equipment from flooding risk	4.2	1.9	5.0	4.0	2.3	0.4	0.7	1.3	0.5	0.7	14.9
Enhancing site security, ESQCR and other legal requirements	18.4	11.7	15.7	14.9	14.7	9.9	9.8	9.7	9.6	9.4	93.7
Reducing oil and gas leaks from equipment	4.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	13.6
Undergrounding in National Parks and AONBs	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	8.0
Other Network Investment	9.9	3.7	8.3	9.4	3.0	3.4	2.4	1.4	1.4	0.6	29.9
TOTAL - Non-Load Network Investment	283.4	277.9	312.9	305.6	293.0	274.7	258.0	263.7	253.0	262.6	2223.5
Inspection, maintenance and routine tree cutting	75.0	48.4	49.7	49.3	48.8	48.3	47.9	48.1	47.6	47.2	386.9
Tree clearance to improve network resilience to severe weather	4.2	7.6	7.8	7.7	7.7	7.7	7.4	7.4	7.4	7.4	60.5
Responding to and repairing faults	92.0	88.9	93.5	92.2	90.7	89.3	87.9	86.8	85.9	85.0	711.3
Other network operating costs	7.9	8.3	8.5	8.5	8.4	8.3	8.2	8.2	8.1	8.0	66.2
TOTAL - Network Operating Costs	179.1	153.1	159.5	157.7	155.6	153.6	151.4	150.5	149.0	147.6	1224.9
Engineering management	132.5	117.7	119.9	119.5	118.0	117.4	116.9	117.1	116.6	116.4	941.8
Corporate activities	67.1	36.7	38.0	37.8	37.1	36.7	36.4	36.1	35.8	35.4	293.3
Workforce renewal	20.3	22.2	21.5	22.0	22.4	22.4	22.4	22.4	22.4	22.4	177.9
Vehicles, IT, Property & Engineering Equipment	115.9	99.1	105.2	105.6	89.7	100.0	100.0	100.1	100.7	91.2	792.5
TOTAL CORE COSTS	844.2	781.5	837.6	823.4	767.9	776.5	756.0	764.6	764.7	761.8	6252.4

West Midlands - Core costs funded through DUoS											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-2.7	2.3	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	18.1
General Network Reinforcement	26.2	15.6	18.40	19.00	16.40	17.60	16.90	11.50	12.10	12.90	124.8
Reinforcement for Low Carbon Technologies	0.0	6.9	1.30	1.30	2.57	5.07	7.55	10.01	12.46	14.87	55.1
TOTAL - Reinforcement of the Network	23.5	24.8	21.80	22.4	21.2	25.0	26.8	23.8	27.0	30.2	198.0
Asset Replacement	62.7	62.0	62.7	63.3	62.2	62.4	62.0	61.6	61.4	60.7	496.3
Diversions	9.4	10.8	9.6	8.8	8.5	9.2	9.5	13.9	13.3	13.3	86.1
Quality of Supply (reducing power cuts)	3.7	1.9	2.6	2.6	2.6	2.5	2.5	2.5	0.0	0.0	15.3
Improving service for remote ("worst served") customers	0.0	0.1	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0
Real Time Control Systems and Telecommunications	5.0	3.1	5.7	3.9	6.8	1.2	1.6	1.9	0.8	2.5	24.4
Protecting equipment from flooding risk	0.6	0.2	0.0	0.1	0.2	0.1	0.2	0.4	0.1	0.1	1.2
Enhancing site security, ESQCR and other legal requirements	5.0	3.0	3.2	3.1	3.1	3.0	3.0	3.0	2.9	2.9	24.2
Reducing oil and gas leaks from equipment	1.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.0
Undergrounding in National Parks and AONBs	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4
Other Network Investment	1.1	1.2	3.2	3.4	0.7	0.8	0.5	0.3	0.3	0.1	9.3
TOTAL - Non-Load Network Investment	89.2	83.03	87.80	86.50	85.40	80.00	80.10	84.40	79.60	80.40	664.2
Inspection, maintenance and routine tree cutting	25.9	13.7	14.1	14.0	13.8	13.7	13.6	13.7	13.5	13.4	109.8
Tree clearance to improve network resilience to severe weather	1.3	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	15.6
Responding to and repairing faults	28.6	26.3	27.7	27.3	26.8	26.4	25.9	25.6	25.3	25.0	210.0
Other network operating costs	2.4	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.4	19.6
TOTAL - Network Operating Costs	58.2	44.4	46.30	45.80	45.10	44.60	43.80	43.60	43.10	42.70	355.0
Engineering management	44.0	36.1	36.80	36.7	36.2	35.9	35.9	35.8	35.7	35.6	288.6
Corporate activities	27.2	10.9	11.30	11.2	11.0	10.9	10.8	10.7	10.6	10.5	87.0
Workforce renewal	4.6	6.0	5.80	5.9	6.0	6.0	6.0	6.0	6.0	6.0	47.7
Vehicles, IT, Property & Engineering Equipment	36.5	29.7	31.90	31.1	25.0	28.0	31.0	32.3	31.0	26.9	237.2
TOTAL CORE COSTS	283.20	234.72	241.70	239.60	229.87	230.37	234.35	236.61	232.96	232.27	1877.7

East Midlands - Core costs funded through DUOs											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-3.2	2.1	1.90	1.9	2.0	2.2	2.1	2.3	2.2	2.2	16.8
General Network Reinforcement	19.8	20.3	46.00	39.4	12.9	14.6	8.5	11.7	19.6	10.0	162.7
Reinforcement for Low Carbon Technologies	0.0	11.0	2.06	2.1	4.1	8.1	12.0	15.9	19.8	23.6	87.7
TOTAL - Reinforcement of the Network	16.6	33.4	49.96	43.4	19.0	24.9	22.6	29.9	41.6	35.8	267.2
Asset Replacement	53.9	52.2	52.60	52.4	52.1	52.0	51.8	52.4	52.3	52.1	417.7
Diversions	9.0	10.5	13.30	12.9	12.6	12.4	8.3	8.2	8.3	8.3	84.3
Quality of Supply (reducing power cuts)	3.7	1.1	1.50	1.5	1.4	1.4	1.4	1.4	0.0	0.0	8.6
Improving service for remote ("worst served") customers	0.0	0.0	0.00	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Real Time Control Systems and Telecommunications	5.7	3.2	5.90	4.0	6.9	1.3	1.9	2.0	0.8	2.6	25.4
Protecting equipment from flooding risk	1.5	0.6	1.30	1.7	0.9	0.1	0.2	0.4	0.2	0.2	5.0
Enhancing site security, ESQCR and other legal requirements	3.9	3.2	3.30	3.3	3.2	3.2	3.1	3.1	3.1	3.0	25.3
Reducing oil and gas leaks from equipment	1.7	0.6	0.60	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.8
Undergrounding in National Parks and AONBs	0.4	0.1	0.10	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
Other Network Investment	7.7	1.9	4.80	5.3	1.3	1.4	1.0	0.6	0.6	0.2	15.2
TOTAL - Non-Load Network Investment	87.5	73.4	83.40	81.9	79.2	72.5	68.4	68.8	66.0	67.1	587.3
Inspection, maintenance and routine tree cutting	21.2	11.4	11.70	11.60	11.50	11.40	11.30	11.40	11.30	11.20	91.40
Tree clearance to improve network resilience to severe weather	0.7	1.8	1.80	1.8	1.8	1.8	1.7	1.7	1.7	1.7	14.0
Responding to and repairing faults	30.4	30.3	31.70	31.3	30.8	30.4	30.0	29.6	29.3	29.0	242.1
Other network operating costs	2.7	2.9	3.00	3.0	3.0	2.9	2.9	2.9	2.9	2.8	23.4
TOTAL - Network Operating Costs	55.0	46.4	48.20	47.7	47.1	46.5	45.9	45.6	45.2	44.7	370.9
Engineering management	44.1	36.4	37.40	37.1	36.5	36.2	36.1	35.9	35.9	35.7	290.8
Corporate activities	23.4	10.4	10.90	10.80	10.5	10.4	10.3	10.2	10.1	10.0	83.2
Workforce renewal	4.9	6.0	5.80	5.9	6.0	6.0	6.0	6.0	6.0	6.0	47.7
Vehicles, IT, Property & Engineering Equipment	36.4	29.1	29.80	29.3	26.0	28.6	30.1	30.1	31.8	27.4	233.1
TOTAL CORE COSTS	267.9	235.0	265.5	256.1	224.3	225.1	219.4	226.5	236.6	226.7	1880.2

South Wales - Core costs funded through DUoS											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-0.5	1.1	1.0	0.9	1.1	1.0	1.2	1.1	1.1	1.3	8.7
General Network Reinforcement	3.6	3.6	2.3	2.3	2.8	7.4	5.8	5.1	1.7	1.2	28.6
Reinforcement for Low Carbon Technologies	0.0	1.4	0.3	0.3	0.5	1.0	1.5	2.1	2.6	3.0	11.3
TOTAL - Reinforcement of the Network	3.1	6.1	3.6	3.5	4.4	9.4	8.5	8.3	5.4	5.5	48.6
Asset Replacement	30.9	35.0	34.1	34.9	34.6	35.9	35.5	34.9	35.2	34.9	280.0
Diversions	3.0	8.3	17.4	17.2	8.8	8.7	3.5	3.5	3.6	3.7	66.4
Quality of Supply (reducing power cuts)	2.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	3.0
Improving service for remote ("worst served") customers	0.2	0.1	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0
Real Time Control Systems and Telecommunications	1.2	2.9	3.6	2.0	5.5	5.0	1.2	2.1	0.9	2.6	22.9
Protecting equipment from flooding risk	1.3	1.0	3.6	2.1	1.1	0.1	0.2	0.1	0.1	0.3	7.6
Enhancing site security, ESQCR and other legal requirements	3.3	1.3	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2	10.2
Reducing oil and gas leaks from equipment	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4
Undergrounding in National Parks and AONBs	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.6
Other Network Investment	0.9	0.2	0.1	0.2	0.3	0.4	0.3	0.2	0.2	0.1	1.8
TOTAL - Non-Load Network Investment	43.7	49.6	61.2	59.2	53.1	52.4	43.0	43.0	41.7	43.3	396.9
Inspection, maintenance and routine tree cutting	12.6	9.9	10.2	10.1	10.0	9.9	9.8	9.8	9.7	9.6	79.1
Tree clearance to improve network resilience to severe weather	1.0	1.6	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	12.9
Responding to and repairing faults	11.6	11.6	12.3	12.1	11.9	11.7	11.5	11.3	11.2	11.1	93.1
Other network operating costs	1.1	1.1	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	9.0
TOTAL - Network Operating Costs	26.3	24.3	25.4	25.0	24.6	24.3	24.0	23.8	23.6	23.4	194.1
Engineering management	18.8	18.5	18.8	18.9	18.4	18.6	18.3	18.4	18.3	18.2	147.9
Corporate activities	6.4	5.9	6.1	6.1	6.0	5.9	5.90	5.8	5.8	5.7	47.3
Workforce renewal	4.4	4.5	4.2	4.4	4.5	4.5	4.5	4.5	4.5	4.5	35.6
Vehicles, IT, Property & Engineering Equipment	17.0	15.0	15.5	16.6	14.60	17.0	14.9	14.3	13.9	13.5	120.3
TOTAL CORE COSTS	119.7	123.8	134.8	133.7	125.6	132.1	119.1	118.1	113.2	114.1	990.7

South West - Core costs funded through DUoS											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-1.1	1.1	1.0	1.0	0.9	1.1	1.1	1.0	1.1	1.2	8.4
General Network Reinforcement	3.8	3.9	3.2	3.9	4.5	7.2	5.7	3.5	2.0	1.4	31.4
Reinforcement for Low Carbon Technologies	0.0	5.6	1.1	1.1	2.1	4.1	6.2	8.2	10.1	12.1	44.9
TOTAL - Reinforcement of the Network	2.7	10.6	5.3	6.0	7.5	12.4	13.0	12.7	13.2	14.7	84.7
Asset Replacement	44.9	53.4	54.2	53.8	53.6	53.1	53.4	53.3	52.9	52.5	426.8
Diversions	4.2	9.6	13.3	13.1	7.3	7.2	7.2	7.3	8.2	13.1	76.7
Quality of Supply (reducing power cuts)	2.8	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	3.0
Improving service for remote ("worst served") customers	0.1	0.1	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0
Real Time Control Systems and Telecommunications	2.2	2.9	3.7	1.6	4.8	5.0	1.6	2.6	1.1	2.9	23.3
Protecting equipment from flooding risk	0.8	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1	1.1
Enhancing site security, ESQCR and other legal requirements	6.2	4.3	7.8	7.2	7.1	2.4	2.4	2.4	2.4	2.3	34.0
Reducing oil and gas leaks from equipment	1.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4
Undergrounding in National Parks and AONBs	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.2
Other Network Investment	0.2	0.5	0.2	0.5	0.7	0.8	0.6	0.3	0.3	0.2	3.6
TOTAL - Non-Load Network Investment	63.0	71.9	80.5	78.0	75.3	69.8	66.5	67.5	65.7	71.8	575.1
Inspection, maintenance and routine tree cutting	15.3	13.3	13.7	13.6	13.5	13.3	13.2	13.2	13.1	13.0	106.6
Tree clearance to improve network resilience to severe weather	1.2	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	18.0
Responding to and repairing faults	21.4	20.8	21.8	21.5	21.2	20.8	20.5	20.3	20.1	19.9	166.1
Other network operating costs	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	14.2
TOTAL - Network Operating Costs	39.6	38.1	39.6	39.2	38.8	38.2	37.7	37.5	37.1	36.8	304.9
Engineering management	25.6	26.8	26.9	26.8	26.9	26.7	26.6	27.0	26.7	26.9	214.5
Corporate activities	10.1	9.5	9.7	9.7	9.6	9.5	9.4	9.4	9.3	9.2	75.8
Workforce renewal	6.4	5.9	5.7	5.8	5.9	5.9	5.9	5.9	5.9	5.9	46.9
Vehicles, IT, Property & Engineering Equipment	26.0	25.2	28.0	28.6	24.1	26.4	24.0	23.4	24.0	23.4	201.9
TOTAL CORE COSTS	173.4	188.0	195.7	194.1	188.1	188.9	183.1	183.4	181.9	188.7	1503.8

10.8 The amendments to inspection and maintenance costs also affect the five 'Core costs funded through DUoS including pensions' tables in Appendix A3 of Supplementary Annex SA-05 Expenditure.

10.9 In addition, the table for West Midlands includes some amendments for typographical errors.

WPD Total - Core costs funded through DUoS including pensions											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-6.2	6.7	6.1	6.0	6.5	6.7	7.1	6.9	7.0	7.3	53.6
General Network Reinforcement	54.8	46.4	73.0	67.7	38.9	49.4	39.9	34.9	38.7	28.5	371.0
Reinforcement for Low Carbon Technologies	0.0	25.1	4.7	4.7	9.6	18.6	27.6	36.5	45.3	53.9	200.8
TOTAL - Reinforcement of the Network	48.6	78.2	83.8	78.4	55.0	74.7	74.6	78.3	91.0	89.7	625.4
Asset Replacement	197.8	209.2	210.9	211.6	209.4	210.2	209.2	208.5	207.9	206.2	1673.9
Diversions	26.2	39.9	54.4	52.8	38.0	38.3	29.2	33.7	34.1	39.0	319.5
Quality of Supply (reducing power cuts)	13.0	3.8	5.2	5.1	5.1	5.0	5.0	4.9	0.0	0.0	30.3
Improving service for remote ("worst served") customers	0.3	0.4	0.0	1.6	1.6	0.0	0.0	0.0	0.0	0.0	3.2
Real Time Control Systems and Telecommunications	14.4	12.3	19.4	11.6	24.4	12.9	6.6	8.8	3.7	10.8	98.2
Protecting equipment from flooding risk	4.2	1.9	5.1	4.0	2.3	0.4	0.7	1.3	0.5	0.7	15.0
Enhancing site security, ESQCR and other legal requirements	19.3	12.4	16.6	15.8	15.6	10.4	10.4	10.1	10.0	9.9	98.8
Reducing oil and gas leaks from equipment	4.9	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	13.6
Undergrounding in National Parks and AONBs	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	8.0
Other Network Investment	10.0	3.9	8.4	9.5	3.2	3.5	2.6	1.5	1.5	0.8	31.0
TOTAL - Non-Load Network Investment	291.2	286.4	322.7	314.7	302.3	283.4	266.4	271.5	260.4	270.1	2291.5
Inspection, maintenance and routine tree cutting	79.0	51.4	53.2	52.5	52.1	51.5	50.8	50.9	50.2	49.8	411.0
Tree clearance to improve network resilience to severe weather	3.8	7.6	7.8	7.7	7.7	7.7	7.4	7.4	7.4	7.4	60.5
Responding to and repairing faults	97.5	94.4	99.7	98.1	96.6	95.0	93.3	92.0	90.9	89.8	755.4
Other network operating costs	8.1	8.4	8.7	8.6	8.4	8.4	8.4	8.2	8.1	8.1	66.9
TOTAL - Network Operating Costs	188.4	161.7	169.4	166.9	164.8	162.6	159.9	158.5	156.6	155.1	1293.8
Engineering management	148.5	132.4	136.2	135.4	133.5	132.3	131.3	131.0	130.0	129.1	1058.8
Corporate activities	77.9	39.8	41.6	41.3	40.5	39.9	39.4	39.2	38.6	38.2	318.7
Workforce renewal	21.1	23.2	22.5	23.0	23.4	23.3	23.3	23.3	23.3	23.3	185.4
Vehicles, IT, Property & Engineering Equipment	110.6	101.0	107.0	108.3	91.8	102.3	101.7	102.0	102.4	92.4	807.9
TOTAL CORE COSTS	886.3	822.7	883.2	868.0	811.3	818.5	796.6	803.8	802.3	797.9	6581.5

West Midlands - Core costs funded through DUoS including pensions											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-2.2	2.3	2.1	2.1	2.3	2.4	2.4	2.4	2.4	2.5	18.6
General Network Reinforcement	26.7	16.7	19.7	20.3	17.5	18.6	18.0	12.4	13.1	13.9	133.5
Reinforcement for Low Carbon Technologies	0.0	7.0	1.3	1.3	2.7	5.2	7.7	10.1	12.6	15.0	55.7
TOTAL - Reinforcement of the Network	24.5	26.0	23.1	23.7	22.5	26.2	28.1	24.9	28.1	31.4	207.8
Asset Replacement	64.1	63.9	64.7	65.3	64.1	64.3	63.8	63.4	63.1	62.4	511.1
Diversions	9.6	11.0	9.7	9.0	8.7	9.4	9.7	14.2	13.5	13.5	87.7
Quality of Supply (reducing power cuts)	3.8	2.0	2.7	2.6	2.6	2.6	2.6	2.5	0.0	0.0	15.6
Improving service for remote ("worst served") customers	0.0	0.1	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0
Real Time Control Systems and Telecommunications	5.0	3.1	5.7	3.9	6.8	1.2	1.7	1.9	0.8	2.5	24.5
Protecting equipment from flooding risk	0.6	0.2	0.0	0.1	0.2	0.1	0.2	0.4	0.1	0.1	1.2
Enhancing site security, ESQCR and other legal requirements	5.2	3.1	3.3	3.2	3.2	3.2	3.1	3.1	3.0	3.0	25.1
Reducing oil and gas leaks from equipment	1.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	4.0
Undergrounding in National Parks and AONBs	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4
Other Network Investment	1.1	1.2	3.2	3.4	0.7	0.8	0.6	0.3	0.3	0.2	9.5
TOTAL - Non-Load Network Investment	91.1	85.3	90.1	88.8	87.6	82.4	82.50	86.6	81.6	82.5	682.1
Inspection, maintenance and routine tree cutting	27.0	14.5	15.0	14.8	14.7	14.5	14.4	14.4	14.2	14.1	116.1
Tree clearance to improve network resilience to severe weather	1.3	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	15.6
Responding to and repairing faults	30.0	27.5	29.1	28.6	28.2	27.7	27.2	26.8	26.4	26.1	220.1
Other network operating costs	2.4	2.5	2.6	2.6	2.5	2.5	2.5	2.4	2.4	2.4	19.9
TOTAL - Network Operating Costs	60.7	46.5	48.7	48.0	47.4	46.7	46.0	45.5	44.9	44.5	371.7
Engineering management	48.7	39.6	40.8	40.5	39.9	39.5	39.40	39.2	38.9	38.7	316.9
Corporate activities	32.1	11.6	12.1	12.0	11.8	11.6	11.50	11.4	11.2	11.1	92.7
Workforce renewal	4.8	6.3	6.1	6.2	6.3	6.3	6.30	6.3	6.3	6.3	50.1
Vehicles, IT, Property & Engineering Equipment	35.5	30.0	32.4	31.7	25.4	28.3	31.0	32.7	31.7	27.1	240.3
TOTAL CORE COSTS	297.4	245.2	253.3	250.9	240.9	241.0	244.8	246.6	242.7	241.6	1961.7

East Midlands - Core costs funded through DUoS including pensions											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-3.0	2.2	2.0	2.0	2.1	2.2	2.2	2.4	2.3	2.3	17.5
General Network Reinforcement	20.3	21.4	47.2	40.5	13.8	15.6	9.6	12.8	20.8	11.1	171.4
Reinforcement for Low Carbon Technologies	0.0	11.0	2.1	2.1	4.2	8.2	12.1	16.0	19.9	23.7	88.3
TOTAL - Reinforcement of the Network	17.3	34.6	51.3	44.6	20.1	26.0	23.9	31.2	43.0	37.1	277.2
Asset Replacement	54.8	53.6	54.1	53.9	53.6	53.5	53.2	53.8	53.6	53.4	429.1
Diversions	9.1	10.7	13.5	13.1	12.8	12.6	8.4	8.3	8.4	8.4	85.5
Quality of Supply (reducing power cuts)	3.8	1.1	1.5	1.5	1.5	1.4	1.4	1.4	0.0	0.0	8.7
Improving service for remote ("worst served") customers	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Real Time Control Systems and Telecommunications	5.8	3.2	6.0	4.0	6.9	1.3	1.9	2.0	0.8	2.6	25.5
Protecting equipment from flooding risk	1.5	0.6	1.3	1.7	0.9	0.1	0.2	0.4	0.2	0.2	5.0
Enhancing site security, ESQCR and other legal requirements	4.0	3.3	3.4	3.4	3.3	3.3	3.3	3.2	3.2	3.1	26.2
Reducing oil and gas leaks from equipment	1.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4.8
Undergrounding in National Parks and AONBs	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8
Other Network Investment	7.8	2.0	4.9	5.3	1.4	1.5	1.1	0.6	0.6	0.3	15.7
TOTAL - Non-Load Network Investment	88.9	75.2	85.4	83.7	81.2	74.4	70.2	70.4	67.5	68.7	601.5
Inspection, maintenance and routine tree cutting	22.0	12.2	12.6	12.4	12.3	12.2	12.0	12.1	11.9	11.8	97.3
Tree clearance to improve network resilience to severe weather	0.7	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	14.0
Responding to and repairing faults	31.7	31.5	33.1	32.6	32.2	31.7	31.2	30.8	30.5	30.1	252.2
Other network operating costs	2.8	3.0	3.1	3.0	3.0	3.0	3.0	2.9	2.9	2.9	23.8
TOTAL - Network Operating Costs	57.2	48.4	50.6	49.8	49.3	48.7	47.9	47.5	47.0	46.5	387.3
Engineering management	48.8	40.3	41.8	41.4	40.7	40.2	40.0	39.6	39.5	39.1	322.3
Corporate activities	27.5	11.1	11.7	11.6	11.3	11.1	11.0	10.9	10.8	10.6	89.0
Workforce renewal	5.1	6.3	6.1	6.2	6.3	6.3	6.3	6.3	6.3	6.3	50.1
Vehicles, IT, Property & Engineering Equipment	35.7	29.6	30.2	30.2	26.5	29.2	30.6	30.6	32.1	27.6	237.0
TOTAL CORE COSTS	280.5	245.5	277.1	267.5	235.4	235.9	229.9	236.5	246.2	235.9	1964.3

South Wales - Core costs funded through DUoS including pensions											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-0.3	1.1	1.0	0.9	1.1	1.0	1.3	1.1	1.1	1.3	8.8
General Network Reinforcement	3.8	3.9	2.6	2.7	3.0	7.6	6.1	5.5	2.2	1.5	31.2
Reinforcement for Low Carbon Technologies	0.0	1.4	0.3	0.3	0.5	1.0	1.5	2.1	2.6	3.0	11.3
TOTAL - Reinforcement of the Network	3.5	6.4	3.9	3.9	4.6	9.6	8.9	8.7	5.9	5.8	51.3
Asset Replacement	32.1	36.3	35.6	36.4	36.0	37.2	36.8	36.1	36.5	36.1	290.7
Diversions	3.1	8.4	17.6	17.3	8.9	8.8	3.6	3.6	3.7	3.8	67.3
Quality of Supply (reducing power cuts)	2.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	3.0
Improving service for remote ("worst served") customers	0.2	0.1	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0
Real Time Control Systems and Telecommunications	1.3	3.0	3.8	2.0	5.7	5.2	1.3	2.2	0.9	2.7	23.8
Protecting equipment from flooding risk	1.3	1.0	3.7	2.1	1.1	0.1	0.2	0.1	0.1	0.3	7.7
Enhancing site security, ESQCR and other legal requirements	3.4	1.4	1.5	1.4	1.4	1.3	1.4	1.3	1.3	1.3	10.9
Reducing oil and gas leaks from equipment	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4
Undergrounding in National Parks and AONBs	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.6
Other Network Investment	0.9	0.3	0.1	0.3	0.40	0.4	0.3	0.2	0.2	0.1	2.0
TOTAL - Non-Load Network Investment	45.3	51.3	63.3	61.0	55.0	54.0	44.6	44.5	43.2	44.8	410.4
Inspection, maintenance and routine tree cutting	13.2	10.3	10.7	10.6	10.5	10.4	10.2	10.2	10.1	10.0	82.7
Tree clearance to improve network resilience to severe weather	1.0	1.6	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	12.9
Responding to and repairing faults	12.5	12.6	13.4	13.2	12.9	12.7	12.4	12.2	12.1	12.0	100.9
Other network operating costs	1.1	1.1	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	9.0
TOTAL - Network Operating Costs	27.8	25.7	27.0	26.6	26.1	25.8	25.3	25.1	24.9	24.7	205.5
Engineering management	21.5	21.3	22.0	22.0	21.5	21.5	21.1	21.1	20.9	20.6	170.7
Corporate activities	7.3	6.8	7.1	7.1	6.9	6.9	6.7	6.7	6.6	6.5	54.5
Workforce renewal	4.6	4.6	4.4	4.6	4.7	4.6	4.6	4.6	4.6	4.6	36.7
Vehicles, IT, Property & Engineering Equipment	15.5	15.5	15.8	17.0	15.0	17.7	15.5	14.8	14.2	13.9	123.9
TOTAL CORE COSTS	125.5	131.6	143.5	142.2	133.8	140.1	126.7	125.5	120.3	120.9	1053.0

South West - Core costs funded through DUoS including pensions											
Costs excluding RPEs & pensions, including efficiency (£m at 2012/13 prices)	Average per year in DPCRS	Average per year in RIIO-ED1	Spend profile in RIIO ED1								Total RIIO-ED1
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Customer Related Reinforcement	-0.7	1.1	1.0	1.0	1.0	1.1	1.2	1.0	1.2	1.2	8.7
General Network Reinforcement	4.0	4.4	3.5	4.2	4.6	7.6	6.2	4.2	2.6	2.0	34.9
Reinforcement for Low Carbon Technologies	0.0	5.7	1.1	1.1	2.2	4.2	6.3	8.3	10.2	12.2	45.5
TOTAL - Reinforcement of the Network	3.3	11.1	5.6	6.3	7.8	12.9	13.7	13.5	14.0	15.4	89.1
Asset Replacement	46.8	55.4	56.5	56.0	55.7	55.2	55.4	55.2	54.7	54.3	443.0
Diversions	4.4	9.9	13.6	13.4	7.6	7.5	7.5	7.6	8.5	13.3	79.0
Quality of Supply (reducing power cuts)	2.9	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	3.0
Improving service for remote ("worst served") customers	0.1	0.1	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.0
Real Time Control Systems and Telecommunications	2.3	3.1	3.9	1.7	5.0	5.2	1.7	2.7	1.2	3.0	24.4
Protecting equipment from flooding risk	0.8	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1	1.1
Enhancing site security, ESQCR and other legal requirements	6.7	4.6	8.4	7.8	7.7	2.6	2.6	2.5	2.5	2.5	36.6
Reducing oil and gas leaks from equipment	1.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4
Undergrounding in National Parks and AONBs	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	3.2
Other Network Investment	0.2	0.5	0.2	0.5	0.7	0.8	0.6	0.4	0.4	0.2	3.8
TOTAL - Non-Load Network Investment	65.9	74.7	83.9	81.2	78.5	72.6	69.1	70.0	68.1	74.1	597.5
Inspection, maintenance and routine tree cutting	16.8	14.4	14.9	14.7	14.6	14.4	14.2	14.2	14.0	13.9	114.9
Tree clearance to improve network resilience to severe weather	0.8	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	18.0
Responding to and repairing faults	23.3	22.8	24.1	23.7	23.3	22.9	22.5	22.2	21.9	21.6	182.2
Other network operating costs	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	14.2
TOTAL - Network Operating Costs	42.7	41.2	43.1	42.5	42.0	41.4	40.7	40.4	39.8	39.4	329.3
Engineering management	29.5	31.1	31.6	31.5	31.4	31.1	30.8	31.1	30.7	30.7	248.9
Corporate activities	11.0	10.3	10.7	10.6	10.5	10.3	10.2	10.2	10.0	10.0	82.5
Workforce renewal	6.6	6.1	5.9	6.0	6.1	6.1	6.1	6.1	6.1	6.1	48.5
Vehicles, IT, Property & Engineering Equipment	23.9	25.8	28.6	29.4	24.9	27.1	24.6	23.9	24.4	23.8	206.7
TOTAL CORE COSTS	182.9	200.3	209.4	207.5	201.2	201.5	195.2	195.2	193.1	199.5	1602.5

11 Pensions contributions

- 11.1 There was a variance between the presentation of Net Costs Excluding Pensions in the BPDT tables and in our Business Plan document. Our detailed model behind the Business Plan calculated a pensions element within cost recoveries. However, this is not split out in the BPDT tables. Although Gross Costs, Net Costs and Pensions costs have not changed since the July submission as a result of this issue, when costs are reported on a Net Costs Excluding Pensions basis this issue creates a misalignment between the Business Plan document and the BPDT. We have aligned our model with the BPDT and this is included in the miscellaneous adjustments.

12 Other expenditure funded through DUoS

- 12.1 The changes to pensions, carbon reduction commitment, smart metering and associated RPEs affect the summary table in paragraph 10.9 of the WPD Business Plan Overview document. The table should be:

Other expenditure within the price control funded through DUoS (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Real price effects	142.0	140.8	71.4	112.0	466.2
Smart metering	16.1	16.9	7.7	11.4	52.1
Rates	276.0	362.7	144.8	146.4	929.9
Licence fees	9.6	10.4	4.0	6.4	30.4
Normal pension contributions	84.7	84.5	62.3	98.8	330.3
Deficit pension contributions	189.4	186.5	199.9	324.4	900.2
Transmission exit charges	107.9	92.7	68.7	71.6	340.9
Carbon Reduction Commitments	0.8	0.8	0.8	0.8	3.2
Miscellaneous	-1.8	-0.1	-2.3	-0.5	-4.7
Total	824.7	895.2	557.3	771.3	3,048.5

13 High level expenditure summary

- 13.1 The amendments to expenditure also affect the high level expenditure summary in paragraph 2.1 of Supplementary Annex SA-05 Expenditure. It should be:

Expenditure within the Price Control (£m)					
	West Midlands	East Midlands	South Wales	South West	WPD Total
Reinforcement of the network	198.0	267.2	48.6	84.7	598.5
Non-load network investment	664.2	587.3	396.9	575.1	2,223.5
Network operating costs	355.0	370.9	194.1	304.9	1,224.9
Engineering management	288.6	290.8	147.9	214.5	941.8
Corporate activities	87.0	83.2	47.3	75.8	293.3
Workforce renewal	47.7	47.7	35.6	46.9	177.9
Vehicles, IT, property & tools	237.2	233.1	120.3	201.9	792.5
Non-core costs and pass through items	824.7	895.2	557.3	771.3	3,048.5
Total	2,702.4	2,775.4	1,548.0	2,275.1	9,300.9

14 Revenue requirements

14.1 In total the revenue request for RIIO-ED1 amounts to £10,717m in 2012/13 prices, compared to £10,696m in our 1st July 2013 Business Plan. The following tables replace those in paragraph 13.10 in the Overview document and paragraph 16.5 in Supplementary Annex SA07 Financing the Plan.

WPD Revenue Requirement in RIIO-ED1 (£m in 2012/13 prices)									
West Midlands	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Fast Pot Costs	52.2	52.3	50.8	51.6	53.2	54.2	53.7	54.2	422.2
Depreciation on Slow Post Costs (RAV)	170.0	173.7	175.4	177.1	177.8	178.8	163.3	162.2	1,378.2
Pension Deficit Repair Payments	23.7	23.7	23.7	23.7	23.7	23.7	23.7	23.7	189.4
Rates and Licence Fees	28.3	28.3	31.3	36.5	42.7	43.4	41.8	41.8	294.1
Transmission Exit Charges	12.7	13.0	13.2	13.2	13.5	14.1	14.1	14.1	108.0
DPCR5 IQI Incentive/Costs True-up	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.9	6.2
Financing Costs	80.8	82.4	83.7	84.9	86.2	87.8	89.6	91.8	687.3
Taxation Payments	18.1	18.5	18.3	18.5	18.5	18.4	14.1	13.5	137.8
Fast Track Reward	6.5	6.5	6.3	6.4	6.6	6.8	6.7	6.8	52.6
Total - Unprofiled Revenues	393.1	399.1	403.4	412.7	423.1	427.8	407.7	409.0	3,275.9
Revenue Profiling	2.5	0.5	0.1	-5.1	-11.4	-12.0	12.2	15.1	1.9
Total - Profiled Revenues	395.6	399.5	403.5	407.6	411.7	415.8	419.9	424.1	3,277.8
East Midlands	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Fast Pot Costs	57.1	55.8	49.7	50.5	50.0	52.0	54.6	53.1	422.9
Depreciation on Slow Post Costs (RAV)	161.7	167.1	170.8	171.8	172.4	172.4	154.0	155.0	1,325.3
Pension Deficit Repair Payments	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	186.5
Rates and Licence Fees	36.7	36.8	40.6	47.6	55.3	56.0	54.4	54.4	381.6
Transmission Exit Charges	10.5	10.5	10.9	10.9	11.6	11.9	12.6	13.8	92.9
DPCR5 IQI Incentive/Costs True-up	4.3	4.4	4.6	4.8	5.0	5.2	5.5	5.7	39.6
Financing Costs	77.1	79.7	81.4	82.7	83.9	85.2	87.2	89.8	667.0
Taxation Payments	16.3	16.5	16.0	16.3	16.1	16.3	11.8	11.4	120.6
Fast Track Reward	7.1	7.0	6.2	6.3	6.2	6.5	6.8	6.6	52.8
Total - Unprofiled Revenues	394.2	401.2	403.6	414.3	423.9	428.8	410.2	413.0	3,289.2
Revenue Profiling	3.0	-0.1	1.5	-5.1	-10.6	-11.4	11.4	12.8	1.4
Total - Profiled Revenues	397.1	401.1	405.1	409.2	413.3	417.4	421.6	425.8	3,290.6
South Wales	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Fast Pot Costs	29.5	29.5	28.2	29.9	27.4	27.4	26.5	26.9	225.2
Depreciation on Slow Post Costs (RAV)	84.0	85.2	78.9	78.1	76.8	75.9	75.3	74.7	628.8
Pension Deficit Repair Payments	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	199.9
Rates and Licence Fees	16.3	16.3	20.1	20.3	20.1	20.5	19.7	19.7	153.0
Transmission Exit Charges	8.5	8.5	8.5	8.6	8.6	8.6	8.6	8.8	68.8
DPCR5 IQI Incentive/Costs True-up	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	19.5
Financing Costs	34.7	36.1	37.5	39.1	40.6	42.0	43.3	44.6	318.0
Taxation Payments	9.5	9.2	6.9	6.5	5.5	5.0	4.7	4.5	51.9
Fast Track Reward	3.7	3.7	3.5	3.7	3.4	3.4	3.3	3.4	28.1
Total - Unprofiled Revenues	213.2	215.7	210.9	213.6	209.9	210.4	209.1	210.4	1,693.2
Revenue Profiling	-8.3	-8.7	-1.8	-2.4	3.4	5.0	8.4	9.3	4.9
Total - Profiled Revenues	204.9	207.0	209.1	211.1	213.3	215.4	217.5	219.7	1,698.0
South West	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Fast Pot Costs	43.1	43.2	42.3	43.0	42.3	42.7	42.7	44.7	344.0
Depreciation on Slow Post Costs (RAV)	111.6	115.4	117.7	119.1	120.2	120.9	109.2	109.2	923.5
Pension Deficit Repair Payments	40.5	40.5	40.5	40.5	40.5	40.5	40.5	40.5	324.4
Rates and Licence Fees	16.3	16.3	17.8	20.8	22.1	22.7	21.4	21.4	158.9
Transmission Exit Charges	8.7	8.7	8.7	8.7	9.2	9.2	9.2	9.2	71.8
DPCR5 IQI Incentive/Costs True-up	3.6	3.7	3.9	4.0	4.2	4.4	4.6	4.7	33.0
Financing Costs	51.2	53.6	55.9	58.1	60.2	62.2	64.5	67.3	472.9
Taxation Payments	11.1	11.2	10.9	10.7	10.3	10.1	6.9	6.7	77.9
Fast Track Reward	5.4	5.4	5.3	5.4	5.3	5.3	5.3	5.6	42.9
Total - Unprofiled Revenues	291.5	298.1	303.0	310.3	314.4	318.1	304.4	309.4	2,449.3
Revenue Profiling	4.2	0.6	-1.4	-5.7	-6.7	-7.3	9.5	7.6	0.9
Total - Profiled Revenues	295.7	298.7	301.7	304.7	307.7	310.8	313.9	317.0	2,450.2
WPD Combined	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Fast Pot Costs	181.8	181.0	171.0	175.0	172.8	176.3	177.5	178.9	1,414.3
Depreciation on Slow Post Costs (RAV)	527.4	541.3	542.8	546.1	547.2	548.0	501.8	501.2	4,255.9
Pension Deficit Repair Payments	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	900.3
Rates and Licence Fees	97.6	97.8	109.8	125.2	140.3	142.5	137.2	137.2	987.6
Transmission Exit Charges	40.4	40.7	41.3	41.5	43.0	43.9	44.6	45.9	341.5
DPCR5 IQI Incentive/Costs True-up	10.6	11.0	11.5	12.0	12.5	13.0	13.6	14.1	98.3
Financing Costs	243.9	251.8	258.6	264.7	270.9	277.1	284.7	293.5	2,145.2
Taxation Payments	55.0	55.4	52.1	52.0	50.4	49.8	37.4	36.1	388.2
Fast Track Reward	22.7	22.5	21.3	21.8	21.6	22.0	22.1	22.3	176.4
Total - Unprofiled Revenues	1,291.9	1,314.1	1,320.9	1,350.9	1,371.2	1,385.1	1,331.5	1,341.9	10,707.5
Revenue Profiling	1.5	-7.8	-1.6	-18.3	-25.3	-25.7	41.5	44.8	9.0
Total - Profiled Revenues	1,293.4	1,306.3	1,319.4	1,332.6	1,345.9	1,359.4	1,373.0	1,386.7	10,716.6