

The figures being entered by BGE(UK) Limited in connection with this application are as follows:

Excel Sheet Name	Cell Number	TASK	Cost (£)
Capital Expenditure	C24	Design / Project Management	12,241,866
Capital Expenditure	C26	Contingency	4,327,712
Capital Expenditure	C32	Mobilisation	300,000
Capital Expenditure	C36	Other Applicant Costs	0

The Applicant Submitted WACC is 6.19% for each year of the licence

Excel Sheet Name	Cell Number	Applicant Submitted, Real Pre-Tax WACC
WACC & NPV Calculations	C18	6.19%
WACC & NPV Calculations	C19	6.19%
WACC & NPV Calculations	C20	6.19%
WACC & NPV Calculations	C21	6.19%
WACC & NPV Calculations	C22	6.19%
WACC & NPV Calculations	C23	6.19%
WACC & NPV Calculations	C24	6.19%
WACC & NPV Calculations	C25	6.19%
WACC & NPV Calculations	C26	6.19%
WACC & NPV Calculations	C27	6.19%
WACC & NPV Calculations	C28	6.19%
WACC & NPV Calculations	C29	6.19%
WACC & NPV Calculations	C30	6.19%
WACC & NPV Calculations	C31	6.19%
WACC & NPV Calculations	C32	6.19%
WACC & NPV Calculations	C33	6.19%
WACC & NPV Calculations	C34	6.19%
WACC & NPV Calculations	C35	6.19%
WACC & NPV Calculations	C36	6.19%
WACC & NPV Calculations	C37	6.19%
WACC & NPV Calculations	C38	6.19%
WACC & NPV Calculations	C39	6.19%
WACC & NPV Calculations	C40	6.19%
WACC & NPV Calculations	C41	6.19%
WACC & NPV Calculations	C42	6.19%
WACC & NPV Calculations	C43	6.19%
WACC & NPV Calculations	C44	6.19%
WACC & NPV Calculations	C45	6.19%
WACC & NPV Calculations	C46	6.19%
WACC & NPV Calculations	C47	6.19%
WACC & NPV Calculations	C48	6.19%
WACC & NPV Calculations	C49	6.19%
WACC & NPV Calculations	C50	6.19%
WACC & NPV Calculations	C51	6.19%
WACC & NPV Calculations	C52	6.19%
WACC & NPV Calculations	C53	6.19%
WACC & NPV Calculations	C54	6.19%
WACC & NPV Calculations	C55	6.19%
WACC & NPV Calculations	C56	6.19%
WACC & NPV Calculations	C57	6.19%

Capital Expenditure Years t-3, t-2 and t-1

All numbers in blue are input by the Utility Regulator
 All numbers in black are calculated
 Applicants only permitted to input data into blank cells

0.000
0.000

Capitalised Interest (real)	
LIBOR	0.48%
Premium	0.50%
Total	0.98%

Capital Expenditure		Capital Expenditure £m
Controllable	Materials	14.398
	Construction	49.477
	Wayleaves	16.144
	Design / Project Management	12.242
	Site Investigation / C & I / Commissioning	2.924
	Contingency	4.328
Uncontrollable		4.609
Opening Asset Value	Capital Expenditure	104.122
	Subvention	-32.500
	Mobilisation	0.300
	Opening RAB	0.000
	Capitalised Interest	0.706
	Closing RAB	72.628
	Other Applicant Costs	0.000
	Pain Gain Mechanism	0.000
	Total	72.628

Capital Expenditure Pattern FMA		
t-3	t-2	t-1
10.0%	70.0%	20.0%
0.0%	15.0%	85.0%
10.0%	70.0%	20.0%
30.0%	30.0%	40.0%
20.0%	30.0%	50.0%
0.0%	15.0%	85.0%
20.0%	30.0%	50.0%

8.233	35.383	60.506
-2.570	-11.044	-18.886
0.024	0.102	0.174
0.000	5.715	30.332
0.028	0.176	0.502
5.715	30.332	72.628

Weighted Average Cost of Capital and Nett Present Value Years 1-40

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0.000
0.000

Risk Adjustment Factor Applied

Social Discount Rate

Year	PC period	Calculation of Allowed Revenue £m									
		Pre Tax Real WACC		Asset Value		At this years Interest Rate			Repayment		
		Applicant Submitted	Including Adjustment	Opening	Closing	Principal	Payment Years Made	Total	Capital	Interest	Total
1	1	6.19%	6.19%	72.628	72.180	72.628	1	40	0.447	4.496	4.943
2	1	6.19%	6.19%	72.180	71.705	72.628	2	40	0.475	4.468	4.943
3	1	6.19%	6.19%	71.705	71.201	72.628	3	40	0.504	4.439	4.943
4	1	6.19%	6.19%	71.201	70.665	72.628	4	40	0.536	4.407	4.943
5	1	6.19%	6.19%	70.665	70.096	72.628	5	40	0.569	4.374	4.943
6	2	6.19%	6.19%	70.096	69.492	72.628	6	40	0.604	4.339	4.943
7	2	6.19%	6.19%	69.492	68.851	72.628	7	40	0.641	4.302	4.943
8	2	6.19%	6.19%	68.851	68.170	72.628	8	40	0.681	4.262	4.943
9	2	6.19%	6.19%	68.170	67.446	72.628	9	40	0.723	4.220	4.943
10	2	6.19%	6.19%	67.446	66.678	72.628	10	40	0.768	4.175	4.943
11	3	6.19%	6.19%	66.678	65.863	72.628	11	40	0.816	4.127	4.943
12	3	6.19%	6.19%	65.863	64.997	72.628	12	40	0.866	4.077	4.943
13	3	6.19%	6.19%	64.997	64.077	72.628	13	40	0.920	4.023	4.943
14	3	6.19%	6.19%	64.077	63.100	72.628	14	40	0.977	3.966	4.943
15	3	6.19%	6.19%	63.100	62.063	72.628	15	40	1.037	3.906	4.943
16	4	6.19%	6.19%	62.063	60.962	72.628	16	40	1.101	3.842	4.943
17	4	6.19%	6.19%	60.962	59.792	72.628	17	40	1.169	3.774	4.943
18	4	6.19%	6.19%	59.792	58.551	72.628	18	40	1.242	3.701	4.943
19	4	6.19%	6.19%	58.551	57.232	72.628	19	40	1.319	3.624	4.943
20	4	6.19%	6.19%	57.232	55.832	72.628	20	40	1.400	3.543	4.943
21	5	6.19%	6.19%	55.832	54.345	72.628	21	40	1.487	3.456	4.943
22	5	6.19%	6.19%	54.345	52.765	72.628	22	40	1.579	3.364	4.943
23	5	6.19%	6.19%	52.765	51.089	72.628	23	40	1.677	3.266	4.943
24	5	6.19%	6.19%	51.089	49.308	72.628	24	40	1.781	3.162	4.943
25	5	6.19%	6.19%	49.308	47.417	72.628	25	40	1.891	3.052	4.943
26	6	6.19%	6.19%	47.417	45.409	72.628	26	40	2.008	2.935	4.943
27	6	6.19%	6.19%	45.409	43.277	72.628	27	40	2.132	2.811	4.943
28	6	6.19%	6.19%	43.277	41.013	72.628	28	40	2.264	2.679	4.943
29	6	6.19%	6.19%	41.013	38.609	72.628	29	40	2.404	2.539	4.943
30	6	6.19%	6.19%	38.609	36.056	72.628	30	40	2.553	2.390	4.943
31	7	6.19%	6.19%	36.056	33.344	72.628	31	40	2.711	2.232	4.943
32	7	6.19%	6.19%	33.344	30.465	72.628	32	40	2.879	2.064	4.943
33	7	6.19%	6.19%	30.465	27.408	72.628	33	40	3.057	1.886	4.943
34	7	6.19%	6.19%	27.408	24.162	72.628	34	40	3.246	1.697	4.943
35	7	6.19%	6.19%	24.162	20.715	72.628	35	40	3.447	1.496	4.943
36	8	6.19%	6.19%	20.715	17.054	72.628	36	40	3.661	1.282	4.943
37	8	6.19%	6.19%	17.054	13.166	72.628	37	40	3.887	1.056	4.943
38	8	6.19%	6.19%	13.166	9.038	72.628	38	40	4.128	0.815	4.943
39	8	6.19%	6.19%	9.038	4.655	72.628	39	40	4.384	0.559	4.943
40	8	6.19%	6.19%	4.655	0.000	72.628	40	40	4.655	0.288	4.943

Total 72.628 125.092 197.720

Net Present Value as per Published Criteria 3.15 Applicant Determined Cost 105.558