

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	11,941,866
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	11.942
	Site Investigation / C & I / Commissioning	2.924
	Contingency	4.328
Uncontrollable		4.609

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%

Opening Asset Value	Capital Expenditure	103.822
	Subvention	-32.500
	Mobilisation	0.300
	Opening RAB	0.000
	Capitalised Interest	0.703
	Closing RAB	72.325
	Other Applicant Costs	0.000
	Pain Gain Mechanism	0.000
	Total	72.325

	8.143	35.293	60.386
	-2.549	-11.048	-18.903
	0.024	0.102	0.174
	0.000	5.646	30.168
	0.028	0.175	0.500
	5.646	30.168	72.325

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

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0.000
0.000

Risk Adjustment Factor Applied 0.00%

Social Discount Rate 3.50%

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%	72.325	71.879	72.325	1	40	0.445	4.477	4.922
2	1	6.19%	6.19%	71.879	71.406	72.325	2	40	0.473	4.449	4.922
3	1	6.19%	6.19%	71.406	70.904	72.325	3	40	0.502	4.420	4.922
4	1	6.19%	6.19%	70.904	70.370	72.325	4	40	0.533	4.389	4.922
5	1	6.19%	6.19%	70.370	69.804	72.325	5	40	0.566	4.356	4.922
6	2	6.19%	6.19%	69.804	69.202	72.325	6	40	0.602	4.321	4.922
7	2	6.19%	6.19%	69.202	68.564	72.325	7	40	0.639	4.284	4.922
8	2	6.19%	6.19%	68.564	67.885	72.325	8	40	0.678	4.244	4.922
9	2	6.19%	6.19%	67.885	67.165	72.325	9	40	0.720	4.202	4.922
10	2	6.19%	6.19%	67.165	66.400	72.325	10	40	0.765	4.158	4.922
11	3	6.19%	6.19%	66.400	65.588	72.325	11	40	0.812	4.110	4.922
12	3	6.19%	6.19%	65.588	64.725	72.325	12	40	0.862	4.060	4.922
13	3	6.19%	6.19%	64.725	63.810	72.325	13	40	0.916	4.007	4.922
14	3	6.19%	6.19%	63.810	62.837	72.325	14	40	0.973	3.950	4.922
15	3	6.19%	6.19%	62.837	61.804	72.325	15	40	1.033	3.890	4.922
16	4	6.19%	6.19%	61.804	60.708	72.325	16	40	1.097	3.826	4.922
17	4	6.19%	6.19%	60.708	59.543	72.325	17	40	1.165	3.758	4.922
18	4	6.19%	6.19%	59.543	58.306	72.325	18	40	1.237	3.686	4.922
19	4	6.19%	6.19%	58.306	56.993	72.325	19	40	1.313	3.609	4.922
20	4	6.19%	6.19%	56.993	55.599	72.325	20	40	1.394	3.528	4.922
21	5	6.19%	6.19%	55.599	54.118	72.325	21	40	1.481	3.442	4.922
22	5	6.19%	6.19%	54.118	52.545	72.325	22	40	1.572	3.350	4.922
23	5	6.19%	6.19%	52.545	50.875	72.325	23	40	1.670	3.253	4.922
24	5	6.19%	6.19%	50.875	49.102	72.325	24	40	1.773	3.149	4.922
25	5	6.19%	6.19%	49.102	47.219	72.325	25	40	1.883	3.039	4.922
26	6	6.19%	6.19%	47.219	45.220	72.325	26	40	1.999	2.923	4.922
27	6	6.19%	6.19%	45.220	43.097	72.325	27	40	2.123	2.799	4.922
28	6	6.19%	6.19%	43.097	40.842	72.325	28	40	2.255	2.668	4.922
29	6	6.19%	6.19%	40.842	38.448	72.325	29	40	2.394	2.528	4.922
30	6	6.19%	6.19%	38.448	35.905	72.325	30	40	2.542	2.380	4.922
31	7	6.19%	6.19%	35.905	33.205	72.325	31	40	2.700	2.223	4.922
32	7	6.19%	6.19%	33.205	30.338	72.325	32	40	2.867	2.055	4.922
33	7	6.19%	6.19%	30.338	27.294	72.325	33	40	3.044	1.878	4.922
34	7	6.19%	6.19%	27.294	24.061	72.325	34	40	3.233	1.689	4.922
35	7	6.19%	6.19%	24.061	20.628	72.325	35	40	3.433	1.489	4.922
36	8	6.19%	6.19%	20.628	16.983	72.325	36	40	3.645	1.277	4.922
37	8	6.19%	6.19%	16.983	13.111	72.325	37	40	3.871	1.051	4.922
38	8	6.19%	6.19%	13.111	9.001	72.325	38	40	4.111	0.812	4.922
39	8	6.19%	6.19%	9.001	4.635	72.325	39	40	4.365	0.557	4.922
40	8	6.19%	6.19%	4.635	0.000	72.325	40	40	4.635	0.287	4.922

Total 72.325 124.570 196.895

Net Present Value as per Published Criteria 3.15 Applicant Determined Cost 105.118