Regulatory Financial Performance Reporting (RFPR) Commentary

Electricity North West Limited

31 March 2022

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1. Executive summary

1.1. Board Introduction

The Board are pleased to present the Regulatory Financial Performance Reporting (RFPR) for Electricity North West Limited (ENWL) covering the seven years to date of performance in RIIO-ED1 and the outlook through to the completion of ED1.

The year ended 31 March 2022 has been a challenging year, with impacts on our operations from continued COVID-19 restrictions, significant numbers of energy suppliers failing in response to rising energy prices, rising inflation and supply chain disruption, both from COVID-19 and the ramifications of the Ukraine war. Weather also presented a significant challenge to the business this financial year, with an unprecedented seven named storms. The extreme winds during Storm Arwen caused significant damage to the overhead network in our region and disruption to our customers.

Storm Arwen demonstrated how we can pull together as a business to support our customers when faced with some of the worst damage to our network which we have ever seen. There were almost 900 individual faults which impacted 90,000 customers across our region. Our investment in network automation in recent years allowed us to restore power to over 18,000 of the 90,000 customers affected within 3 minutes. The full restoration response involved over 600 engineers including both our staff and colleagues from other distribution networks working together to carry out repairs and volunteers from around the business helped to contact our customers on the phone or in person. The extent of the damage and difficult conditions meant a significant number of our customers were without supply for a prolonged period. Indeed, for the first 42 hours after the storm hit the region, the continuing wind meant that it was unsafe to climb. In these circumstances, there was a real focus on supporting our most vulnerable customers. This support included serving over 14,000 hot meals and making 17,000 welfare calls. The financial impact of Storm Arwen (£10m) is reflected in our current year performance.

Following storm Arwen, the company has undertaken a thorough review of processes and learnings from the incident, with actions already being taken to improve the customer response in future events, the benefits of some of these actions was seen during storms Dudley, Eunice and Franklin in February 2022. In response to Storm Arwen, £5.2m of investment has been planned for ED1, to improve and enhance network systems and restoration systems. In addition, we will also be investing an additional £1.2m on systems to provide more accurate information on restoration times, in direct response to customer feedback following the storm. Our customers in more remote, rural and smaller communities suffered and we strongly promote the strengthening of industry resilience standards that affect these communities.

Delivering for our customers:

Despite the multiple challenges we have faced we have been able to sustain high levels of performance for network reliability, customer satisfaction and financial performance. We consistently hold our customers' and stakeholders' needs at the heart of our thinking. Our enhanced and strengthened stakeholder engagement through the Sustainability, Vulnerability and CEO Panels is actively securing detailed insights into customers views, and influencing our decision making. A customer centric programme of investments in recent years has secured measurable performance improvements. In the context of the current cost of living concerns we have also continued to focus on cost efficiency and keeping our bills below the GB average (ENWL at £79 per annum compared to the average of all DNOs of £95 for 2021/22).

Efficiency and innovation are key to meeting the needs of our stakeholders at an affordable price. Electricity North West was the most efficient distribution network operator in ED1, and we continue to be agile in approach thanks to our size and structure and our strong record of innovation. It is this

innovation and a focus on efficiency that allowed us to propose an ambitious ED2 business plan where customers will pay less than they currently do for the network, whilst ensuring alignment to the ambitious plans that the region and country wants and need on the path to Net Zero.

A focus on consumer vulnerability:

The Board and Executive Leadership team have made it a priority to champion our consumer vulnerability strategy, supporting those customers in vulnerable circumstances, through their ongoing involvement in engagement activities. During 2021, we appointed a non-executive board member as Vulnerability Champion to work alongside senior managers in the business on these matters. Work by the panel has highlighted deep concerns regarding the surge in world energy prices, and its consequent effect on energy bills. As a result, we have created a forward-looking strategy for electricity users in vulnerable circumstances, including stretch levels of ambition on fuel poverty support. To deliver the long-term outcome our stakeholders value, we have already started ramping up activity. Examples include expanding our partnerships to ensure scalability, sharing our 'fuel poverty mindsets' research with 252 organisations and upskilling the workforce to recognise vulnerability to make every contact count.

Meeting the net zero challenge:

The fundamental challenge that the country faces is to deliver Net Zero at a price people can afford. That means the whole energy system, transport system and other interlinked systems and processes as well as domestic and business policies need to be joined up, with each playing its part as a cohesive whole. These systems do not operate in isolation. There is very evident support in the North West for Net Zero, with Cumbria, Lancashire and Greater Manchester all committing to Net Zero before the UK's 2050 target and supporting our own plan to reach Net Zero by 2038.

To this end, in December we submitted our ambitious ED2 business plan. The plan was built from extensive and robust stakeholder engagement that, as a Board, we saw first-hand. Our plans have to be ambitious to meet the challenges ahead, as well as meeting the needs of the thousands of customers and stakeholders whom we engaged with to develop our plans.

We outline in or ED2 business plan our vision to 'Lead the North West to Net Zero'. This year we have made a number of important steps to support delivery of this vision, including targeting more than £20m of investment for projects which will drive a green recovery from Covid-19, all geared to helping the region hit its net zero carbon targets.

In September, we saw our new network management system (NMS) go live. This significant investment in the next generation NMS and further ongoing investment in Active Network Management (ANM), will enable granular real time control of the network at all voltage levels. It will position the business for the next stage of the transition to the low carbon economy and facilitate the provision of Distribution System Operator (DSO) activities, a key enabler to a low carbon future. ANM will enhance the flexible solutions we offer to support customers in the low carbon transition.

This year we also took further steps to facilitate the transition to net zero, with the creation of a new DSO Directorate and the reorganisation of our connections teams to respond to a dramatic increase in connections and service alterations for Low Carbon Technologies. This reorganisation will allow us to be able to handle the increased activity and the projected growth to ensure that we do not slow down the transition to low carbon technologies.

This document should be read in conjunction with the ENWL Annual Report and Consolidated Financial Statements for the year ended 31 March 2022:

https://www.enwl.co.uk/globalassets/investor-relations/documents/financial-reports/enw-limited/electricity-north-west-limited-annual-report-and-financial-statements-31-march-2022.pdf

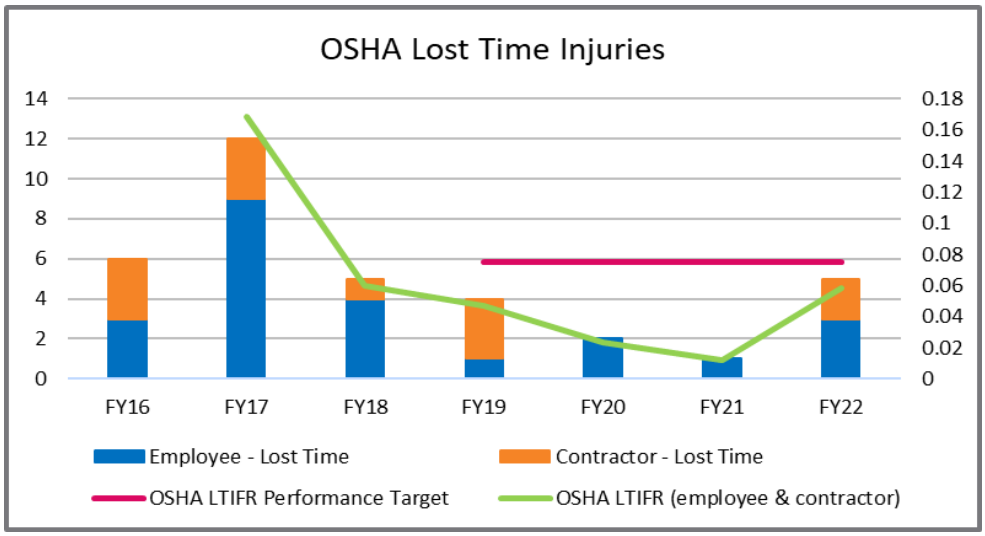
1.2. Company performance

Safety performance

The continued focus on the safety culture has resulted in a sustained low level of lost time injuries and recordable injury rate. We are never complacent about safety and in the coming year we will embed an updated plan to further improve our safety record, which includes working closely with our contract partners.

Our lost time injury (LTI) frequency rate (#/100,000hrs) for the year ended 31 March 2022 was 0.058 (2021: 0.012), having had five lost time injuries during the year (2021: 1). The incident data for the year was impacted by the tragic fatality of one of our colleagues and serious injury to another who, through no fault of their own, were struck by a car being driven by a member of the public who lost consciousness and collided into the jointing bay in which they were working. It is a reminder to us all of the risks our colleagues take whilst serving the public.

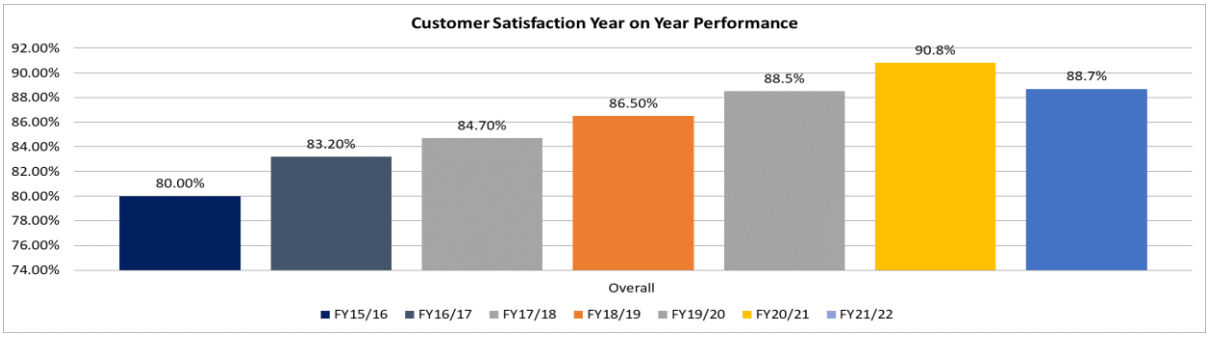
The underlying relatively low incident rate reflects the sustained improvement of the years since we embarked on a company-wide initiative to create an enhanced safety culture. Our total recordable injury rate position remained consistent at 0.18 (2021: 0.18). The graph below shows the LTIs in FY22 for both employees and contractors.



Customer service and connections

Customer satisfaction levels have improved throughout the ED1 period. However, this year there was a slight reduction in performance driven by the impacts of the seven named storms, causing a significant increase in customer contacts. We have also seen significant increases in contacts regarding interventions to support the connection of low carbon technology. The performance still delivered an overall score of 88.7% significantly above the 80% achieved at the start of the regulatory period. We have seen performance improve to above 90% in recent months.

Customer complaints increased 35.4% compared to the prior year largely as a result of Storm Arwen, however despite this we still achieved an 80.1% 24-hour resolution performance (2021: 85.7%).



We continue to focus on our priority service register (PSR) customers, providing targeted services to higher risk customers and developing links with other utilities in our region to support and engage with those customers.

The continued growth of the PSR is testament to the work we have done in raising awareness of the register across the region. Since the beginning of ED1 in 2016, our PSR of customer details has grown from around 600,000 to a reach of over a million customers. In the year ended 31 March 2022 we managed to reach out to over 526,499 customers (2021: 544,517) which figure exceeded our target. In the year ended 31 March 2022, we have continued to promote our PSR and have developed our strategy to offer more targeted services to higher risk customers, for example those who are medically dependant on electricity. Investment in staff training has also been a focus in order to help facilitate this.

Supporting customers in vulnerable circumstances is core to our customer strategy. We have continued to increase pend to support customers in vulnerable circumstances and to develop our partnership with Citizens Advice Manchester (CAM) introduced in 2021. CAM act as our Strategic Partner to support fuel poverty, energy efficiency and other conditions which may leave consumers vulnerable in the region as the result of a power cut. We recognise our role in helping to tackle fuel poverty and the particular challenges this brings in our region. Through the introduction of referral partnerships this year the volume of support increased to the highest level to date of 11,000 homes benefiting from the service.

Time to quote and time to connect performance has stayed consistent with previous year and is achieving maximum incentive reward both for time to quote and time to connect.

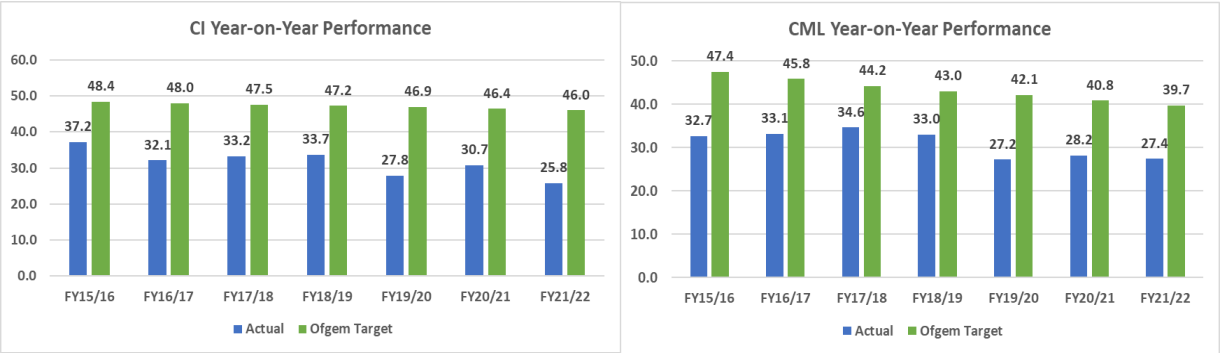
Network reliability and resilience

Reliability has always been a key priority for our customers and is likely to become even more important to them as the move to net zero carbon increases our dependency on electricity in all aspects of our lives. Through investment in automation, robust inspection and maintenance programmes and our focus on operational response times we continue to provide industry leading reliability, with a network availability of 99.995%, excluding exceptional events.

In the year ended 31 March 2022, the average number of interruptions per 100 customers (CIs) at 25.8 (2021: 30.7) was our best year (previously 2020) and significantly outperformed the target of 46.0 set by Ofgem. The average number of minutes for which customers were without supply during the year (CMLs) to 31 March 2022 was 27.4 (2021: 28.2), which is our second-best ever performance and also significantly outperformed the target of 39.7 set by Ofgem. In both cases, these performances have been driven through a combination of investment in automation and in the network, as well as improved processes and management of operational response when faults do occur.

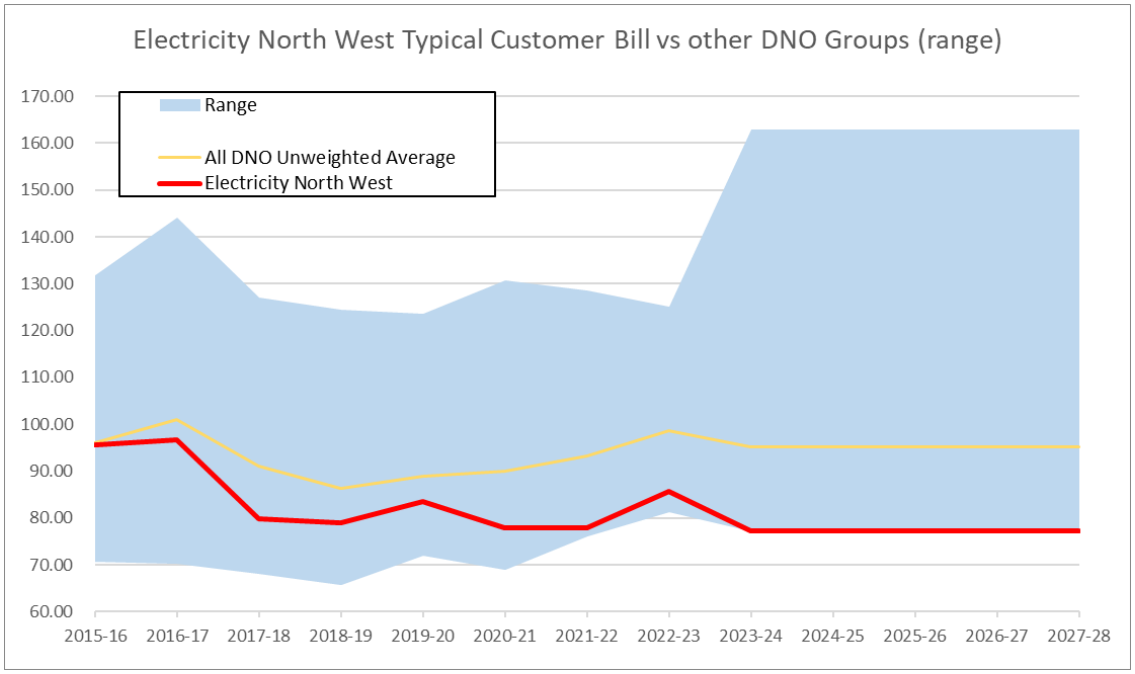
Low voltage (LV) restoration performance was impacted by the seven named storms, particularly the non-exempt storms, resulting in a 27-minute increase in average restoration times, from 143 minutes to 170 minutes in the year.

Key to delivering reliability to customers is the improvement in the network's resilience to extreme weather events. We have further exercised and strengthened our approach to preparing and managing the network during significant events and utilising benefits within the new network management system. We continue to invest significant funds in flood defences and interconnectivity to provide protection to a 1 in 1000-year flood risk at key sites. This year we experienced seven named storms (including Arwen and Franklin). In storm Arwen we witnessed the highest LV fault volumes in over ten years. Since storm Arwen, we have started deploying some additional innovation to install new technology (auto reclosers) on our low voltage circuits which feed smaller and remote locations; this should reduce the disruption for some customers who suffer from loss of supply with no permanent storm damage to the network.



Delivering value for customers: Cost efficiencies (totex)

The investments we have made in recent years are allowing us to deliver performance improvements for our customers and to realise cost efficiencies, which we share with our customers. Our share of the average domestic electricity bill for 2021/22 was £79, below the UK average of £95. Since the start of the regulatory period, we have delivered a net £132m of efficiency savings after reinvestment, saving our customers £55m (all stated in 2012/13 prices).



Sources: ED1 typical bill figures are calculated using published tariff information and the Ofgem Typical Domestic Consumption Value of 2,900kWh and associated profile. ED2 figures are based on Business Plan submissions and do not include the impact of SOLR. All values are expressed in 20/21 prices.

Innovation is essential to maintain network performance and reliability levels and to meet the increasing demands on electricity from the decarbonisation of energy, at an affordable cost. Innovation is a core competence of ENWL and we deploy the latest innovative solutions to develop an optimised investment programme and to deliver considerable cost benefits and efficiencies that are then shared with customers. Our innovative projects Customer Load Active System Services (CLASS) and Smart Street are examples of our work to support decarbonisation whilst ensuring customer bills are still affordable.

We have worked hard in the first seven years of the price review to deliver cost efficiencies and share that benefit with our customers. By identifying and delivering these efficiencies, we have been able to make significant reinvestment of savings in our operations to deliver improvements for our customers in reliability, resilience and customer service and proactively invest in the next generation Network Management Systems (NMS). This investment, combined with the recent investment in our telecoms network, significant investment in data cleanse activities and Active Network Management (ANM), means the business is well placed to lead the transition to provision of DSO activities.

ENWL has delivered totex outperformance of £132m (2012/13 prices), or 8.1%, in ED1 to date (£107m, 7% after the enduring value timing adjustment), with forecast outperformance of £133m over the full ED1 period, equivalent to 7.1%, sharing that benefit with customers. The performance to date reflects efficiencies earned to date of £190m, net of reinvestment of £76m not otherwise reflected in the enduring value adjustment. The latter principally includes the investment in CLASS (£15m), quality of supply (£34m), operational IT spend above allowances to facilitate DSO capability through NMS and ANM (£9m), non-operational IT to improve business systems and processes (£23m above allowances), and continued investment to support network resilience and business plan commitments (including flooding, blast bag mitigation and network maintenance activities). These investments are all expected to either enhance network performance or to deliver totex efficiencies, which are then shared with customers, in the last year of ED1 and into ED2.

Totex - Comparison to allowances £m (2012/13 prices)	ED1 to date Variance	Analysis of drivers by Ofgem category					ED1 total forecast variance
		Efficiency	Enhancements	External factors	Timing	Other	
Load Related Costs	46.7	25.0	-	2.8	16.9	1.9	31.4
Non Load Capex (excl. Non Operational Capex)	134.9	167.6	(34.4)	1.1	5.2	(4.6)	170.0
Non Operational Capex	(25.7)	1.4	(23.5)	(3.6)	-	-	(27.8)
High Value Projects	2.6	-	-	-	2.6	-	(0.1)
Moorside	-	-	-	-	-	-	-
Network Operating Costs	(31.8)	9.2	(3.1)	(37.9)	-	-	(36.6)
Closely Associated Indirects	8.2	(0.4)	(15.3)	2.1	-	21.8	7.1
Business Support Costs	0.7	(10.3)	-	11.0	-	-	(7.1)
Atypicals Non Severe Weather (Totex)	(3.4)	(2.3)	-	-	-	(1.1)	(3.4)
Costs within Price Control (in Totex)	**132.1**	**190.3**	**(76.3)**	**(24.6)**	**24.7**	**18.0**	**133.4**
Variance to allowances - %	8.1%						7.1%

Our Return on Regulated Equity ('RoRE') on average for the first seven years of the ED1 is 7.9% (on an actual gearing basis, post financing and tax). Totex outperformance and output incentives earned by raising performance standards have generated additional returns above the 6% allowed equity return. This operational return is reduced by under-funding on financing ('debt performance'), with the costs of servicing our efficiently incurred debt being higher than the allowance awarded to us in ED1

RORE Components Expressed on notional and actual equity basis	ED1 to 2022	ED1 Period
Notional Equity Returns		
Allowed equity return	6.0%	6.0%
Totex outperformance	1.9%	2.0%
Incentive performance	2.3%	2.3%
RoRE - Operational performance (notional)	**10.2%**	**10.3%**
Debt performance	(1.5%)	(1.2%)
Tax performance	0.0%	0.2%
RoRE - Post Finance & Tax (notional)	**8.7%**	**9.4%**
Adjustment to actual equity	(0.8%)	(1.0%)
RoRE - Post Finance & Tax (actual)	**7.9%**	**8.4%**

1.3. Future Outlook - Our vision to lead the North West to Zero

Our vision is to 'Lead the North West to Net Zero'. We do not say that lightly. The climate emergency is the greatest challenge of our age and networks are uniquely positioned to enable the transition as the country moves away from fossil fuels to low carbon electricity to power our homes, businesses, transport and heating. The high price of energy further challenges delivery of Net Zero to be at an affordable price.

Our 'Go Net Zero' portal on our website helps others to embrace energy efficiency and help them understand how to adopt low carbon technologies.

This year we have made significant progress to allow us to meet this vision, with some of the key steps being highlighted in the Board introduction.

We are focussed on whole system solutions, with a proven track record of innovation, including the successful development and deployment of CLASS and Smart Street, which go a long way to solving the difficulty of providing more capacity at both a reduced cost and a reduced carbon impact, compared to traditional methods. This year we won funding for a new Network Innovation project, BiTraDER which will start this year, with the aim of reducing barriers to the connection of low carbon generation and bring down whole system costs by adding value to the flexibility market.

We are not only mindful of our leading role in enabling the low carbon agenda, but also in reducing our own carbon emissions.

We have seen a significant reduction in our own carbon emissions in recent years reflecting energy efficiency investment but also with the benefit of reduced travel during the Covid restrictions. While we saw a slight increase this year and business travel increased as pandemic restrictions were eased, we are working hard permanently to embed many of these savings where this is possible. This year we have introduced a scheme to make it easier for our colleagues to make the change to an electric vehicle (EV). This includes free charging facilities at our depots/offices and incentives for switching to an electric or hybrid vehicle.

We minimise emissions and spills, and are investing to remove potentially damaging equipment, and enhance the environment by undergrounding overhead cables. Our significant reduction in oil leakage that we have achieved over the last few years has also been maintained.

2. Key Financial Performance measures

£m 12/13	Cumulative to 2022	RIIO-1 period
Customer share of Totex performance	*45.0*	*55.9*
NWO share of Totex performance	*62.4*	*77.5*
Totex out(under)performance, after EV adjustment	*107.4*	*133.4*
Output incentives	85.8	101.0
Cost of Debt out(under)performance at actual gearing (pre tax)	(58.5)	(51.4)
Regulated tax out(under) performance at actual gearing (not adjusted for financing)	12.2	19.6
	Average to 2022	**Average RIIO-1 period**
Equity RAV	606.9	617.5
Average Net Debt (per Regulatory Definition)	932.7	931.9
Adjusted RAV - including (EV) adjustments	1,539.6	1,549.4
RoRE based on actual gearing	7.9%	8.4%

In the seven years of the RIIO ED1 period to date we delivered £107.4m totex outperformance post enduring value adjustments (2012/13 prices), £45.0m of which is shared with our customers. We are forecasting to share £55.9m of outperformance with our customers over the full RIIO ED1 period.

We have committed significant investment in a number of projects in ED1 to enhance the customer experience. This investment has contributed to improved performance in the areas of customer satisfaction, connections time to connect and the reliability of our network. As a result, we have earned £85.8m of output incentive revenue for the seven years to date and this performance is expected to continue for the final year of ED1 and into ED2.

We believe that when evaluating and understanding our returns against allowance, the cost of debt and taxation are important components. Our cost of debt is higher than our allowance - we expect to underperform our cost of debt allowance by £51.4m for ED1 (on a pre-tax adjustment basis). The debt and hedging instruments were set up with interest rates competitively negotiated at the time.

The key financial performance measures discussed are in more detail in section 4.

3. Key operational performance measures

		2016	2017	2018	2019	2020	2021	2022
Safety	Lost time incident frequency rate	0.06	0.10	0.04	0.05	0.02	0.01	0.06
Reliability and availability	Customer Interruptions (CI)	36.7	32.9	33.2	33.6	28.0	30.7	25.8
	Customer Minutes Lost (CML)	32.5	33.7	34.6	33.0	27.1	28.2	27.4
Environment	Business carbon footprint, excl. losses (BCF) (tCO2e)	23,133	21,012	20,599	20,417	18,051	14,090	14,649
Connections	Time to Quote (LVSSA) in days	4.0	3.0	3.7	3.7	2.5	2.6	2.8
	Time to Quote (LVSSB) in days	7.4	7.9	8.3	6.8	4.9	5.0	5.4
	Time to Connect (LVSSA) in days	30.4	31.9	31.7	32.9	27.8	27.8	27.8
	Time to Connect (LVSSB) in days	36.9	31.7	34.3	35.7	27.6	28.8	32.4
Customer satisfaction	Customer Satisfaction Survey Overall	80.0%	83.2%	84.7%	86.5%	88.5%	90.8%	88.7%
	Complaints metric	7.65	3.45	2.29	2.06	1.89	1.75	3.45
	Complaints resolved in 24 hours	51%	77%	82%	82%	84%	86%	80%
Social obligations	Stakeholder Engagement and Consumer Vulnerability Score	6.9	6.4	5.75	4.54	6.03	6.61	Not available until end of July

3.1. Safety

This is an industry that operates with hazards, and therefore the attention to safety needs to be top of the agenda. Central to our risk mitigation activities are operational safety, asset safety and environmental performance. There is an ongoing focus on promoting a safety culture and whilst an increase on prior year, the relatively low lost time frequency incident rate in the year reflects the sustained improvement since we embarked on a company-wide initiative to create an enhanced safety culture.

Our priorities in dealing with the exceptional challenges posed by COVID-19 has continued to be the safety of our colleagues with a continued emphasis on positive mental wellbeing, and the safety of our customers all whilst maintaining the reliability of supply and building resilience for the future.

During periods of pandemic restrictions, all colleagues, to the extent their roles permitted were supported to work from home. As restrictions have eased, we have continued to adapt our ways of working to allow colleagues the flexibility to balance home and office working, with the introduction of an agile working trial. To facilitate greater agile working we have increased our IT investment over the last two years.

Operational safety

The Company ensures that all people are well trained and able to operate safely, backed by policy driven procedures and compliance assurance, alongside a behavioural approach that seeks to ensure that all staff and contractors approach any task with a strong behavioural attitude to safety. The continued focus on the safety culture has resulted in a sustained reduction in lost time injuries and recordable injury rate.

We finished the year ended 31 March 2022 with a lost time injury frequency rate 0.058 (2021: 0.012) having had five one lost time injuries in the year (2021: 1). Our total recordable injury rate was 0.18 (2021: 0.18).

As our safety journey continues, we are increasingly focused on the quality of, and learning from, the primary leading indicators of safety performance, being safety observations and positive challenges, rather than focusing on the volume of these. Safety observations in the year were recorded at 9,438 (2021: 9,286), plus 2,447 positive challenges (2021: 1,878).

Asset safety

The safety of the Company's employees, contractors and the public from the inherent risks of electrical assets is assured through the Company's ongoing asset investment programme and the associated asset risk management policies which define the programme scope. Safety related investments are reported regularly to the Board.

During the year ended 31 March 2022 the Company made further progress in our ED1 programmes of work designed to reduce further the risks associated with link box failure and rising and lateral mains (RLM) in multi occupancy properties.

Our link box inspection programme assesses the risk of the asset and then where necessary an intervention such as blast mitigation protection, replacement or removal of the asset is undertaken.

We continue to use innovation to target the potential risks associated with electricity supplies in multi occupancy properties, referred to as rising and lateral mains (RLMs). We have installed innovative monitoring equipment which helps identify abnormalities and inform replacement prioritisation.

3.2. Reliability and availability

Reliability continues to be a key priority for our customers and is likely to become even more important to them as the move to net zero carbon increases our dependency on electricity in all aspects of our lives. Through investment in automation, robust inspection and maintenance programmes and our focus on operational response times we continue to provide industry leading reliability, with a network availability of 99.995% excluding the impact of exceptional events.

This year saw the challenges of transitioning to our new network management system whilst managing seven named storms, one of which (Arwen) causing the biggest customer impact in 10 years. These events created a challenging year for restoration performance.

In the year ended 31 March 2022, the average number of interruptions per 100 customers (CIs) continues to be industry leading at 25.8 (2021: 30.7). Performance for CIs was our best year (previously 2020) and significantly outperforming the Ofgem target.

The average number of minutes for which customers were without supply (CMLs) in the year to 31 March 2022 was 27.4 (2021: 28.2), our second lowest ever and which also outperformed the Ofgem target.

In both cases, these performances have been driven through a combination of investment in automation and in the network, as well as improved processes and focussed management. The new network management system provides a strong platform for enhanced performance moving forward.

Key to delivering reliability to customers is the improvement to the network's resilience to extreme weather events. We have further exercised and strengthened our approach to preparing and managing the network during significant events and utilising benefits within the new network management system. We continue to invest significant funds in flood defences and interconnectivity to provide protection to a 1 in 1000-year flood risk at key sites.

Most customers enjoy excellent levels of reliability, but we recognise that there is variability in the level of service experienced by some. A few customers experience a level of service significantly worse than average, usually by virtue of their location or due to localised network issues. During the year

we have continued to invest in schemes to aim to reduce long term the numbers of worst served customers, with the number of customers meeting this Ofgem definition decreasing in the year to 711 in the year ended 31 March 2022 (2021: 774) of which 179 were directly attributable to Storm Arwen. We adopt a proactive approach to worst served customers with the aim of having no worst served customers on our network.

Network Health Index

A major part of our reliability strategy is to intervene on higher risk assets before they fail. This is informed by a process of condition-based risk assessment in line with the CNAIM. Our targets for risk reduction through this programme were published by Ofgem in February 2016 and equate to 11.5m risk points over ED1.

In 2021/22, we delivered 0.9m risk points through our programme of targeted replacement and refurbishment activities to generate a cumulative seven-year total of 9.9m risk points, or 86% of our RIIO-ED1 target. We expect to meet the ED1 target of 11.5 million risk points by the end of 2023.

Non-connections GSoPs

The total number of failures increased from the prior year, particularly impacted by the seven named storms. There was a total of 3,637 12 hour failures in the year. Customers who were due a payment for the failure are proactively contacted by telephone or sent a letter to confirm their eligibility; of the total amount 98% of customers have received this payment.

The volume of customers impacted by a Planned Supply Interruption in the year decreased considerably from last year and the number of failures as a percentage has remained relatively constant (99.46% last year to 99.22% this year).

EGS8 appointments has seen an increase in customers impacted back to pre COVID levels. However we have seen an increase in the number of failures due to making and keeping appointments this year which has contributed to the increase in the number of Late Payments (EGS9) due.

3.3. Environment

Environmental protection continues to be one of our core values, and we remain committed to achieving the highest possible standards of environmental performance. In terms of our own direct impact on the environment our principal performance indicator is the level of equivalent carbon dioxide emissions. We also minimise emissions and spills, and are investing to remove potentially damaging equipment, and enhance the environment by undergrounding overhead cables.

We made a commitment to our customers to reduce carbon emissions, measured in tonnes of CO_2 equivalent, by 10% from a 2014/15 base year by 2020. Through targeted investment in the efficiency of our buildings and other efficiency measures, and as a result of reduced emissions due to the COVID-19 restrictions, the level of emissions has actually been reduced by 40% from these levels (24,415 tCO_2e) to 14,649 tCO_2e in the year ended 31 March 2022.

The year ended 31 March 2022 saw a slight increase in carbon emissions from the previous year which the earlier year was particularly low as Covid-19 severely reduced travel. The Company's business carbon footprint (excluding losses) for the year of 14,649 tCO2e, a 3.9% increase from the previous year (2021: 14,095 tCO2e), which was a significant reduction on the previous year (2020: 18,051 tCO2e). Included in these figures is the impact of increased generator usage because of the winter storms.

Emissions in the year reflect the benefits of energy efficiency measures (including refurbishment of its buildings) but also some ongoing benefit from reduced business travel during the pandemic. We are working hard to embed some of the travel savings as permanent benefits. In addition to this reduction, our CLASS innovation has reduced carbon-based generation in the economy, by avoiding the need for traditional generation, saving approximately 4,500 tCO2e in the year to March 2022.

Carbon emissions covers the environmental impact from the use of fossil fuels in vehicles and generators and energy in buildings, as well as the impact of Sulphur Hexafluoride (SF_6), which is a strong greenhouse gas, historically used as insulation in electrical equipment. Our policy is to continue to install modern SF_6 equipment with lower leakage rates and during the year we saw a decrease of 40% in emissions of SF6. Over the RIIO-ED1 period we plan to reduce our leakage rate by over 20% from a rate of 0.38% (as a proportion of the mass in service) in 2013 to 0.30% by 2023. In 2021/22 a total of 38.47kg was lost from our system; this loss equates to 0.25% of the total mass in service (2021: 0.39%).

A total of 17,084,835 kWh of electricity, equal to 3,628 tCO2e, was purchased by the Company for its own use, including for the purposes of transportation. The tCO2e was calculated by multiplying the total consumption in kWh by the UK Government Conversion Factors for greenhouse gas emissions.

There was 26,046,936 kWh of energy consumed from the combustion of gas and consumption of fuel for operational transport. This is calculated by multiplying the litres of gas oil and diesel consumed by the conversion factor provided in the UK Government Conversion Factors for greenhouse gas emissions.

3.4. Connections

In 2022 we exceeded the targets for Time to Quote and Time to Connect metrics, even with the continued challenges posed by the COVID-19 restrictions and achieving the maximum reward targets set by Ofgem. Whilst for ENWL, ICE penalties can only apply to two small market segments out of the nine relevant segments (ENWL having passed the competition tests in the other seven categories during DPCR5), stakeholder engagement is important to us and we are pleased that Ofgem has recognised that we are meeting the needs of these stakeholders.

We continue to focus on Guaranteed Standards of Performance for Connections. While an increase in GSoP failures occurred this year due to the significant volumes in work mainly associated to Low Carbon connections such as EV's requiring network interventions, plans are in place to improve and enhance the level of service that we give to our customers. These plans will continue to focus on simplifying business processes and working closely with our contract delivery partners. The number of failures in FY22 was 90 compared to a prior year number of 39. This gave us a 99.53 % GSoP result, close to our business plan target of 100%.

3.5. Customer Satisfaction

Delivering excellent customer service is important to us. Customer satisfaction levels have improved throughout the ED1 period. However, this year there was a slight reduction in performance driven by the impacts of the seven named storms experienced across the region and a significant growth in numbers of contacts relating to EV connections. The performance still delivered an overall score of 88.7% for the year (2021: 90.8%) compared to 80% at the start of the regulatory period. The relative ranking among the DNOs was 12th (2021: 12th) with all DNOs showing performance at similar levels.

The Company is committed to improve further customer satisfaction levels, with clear actions in place that are monitored regularly by the Executive Leadership team. The actions focus around simplification, compliance with the customer journey, improvement in systems and resourcing strategies.

Supporting priority service and vulnerable customers

During the year we have continued to promote our PSR and have developed our strategy to offer more targeted services to higher risk customers, for example those who are medically dependant on electricity. Investment in staff training has also been a focus in order to help facilitate this.

In delivering for our priority customers we have managed to reach out to over 526,499 customers this year (2021: 544,517) which exceeded our target. These communications were carried out through multiple channels including letters, email and telephony.

We recognise our role in helping to tackle fuel poverty and the particular challenges this brings in our region. During the year we have engaged with a variety of partners in a bid to offer extra support to the customers in our region who are impacted by fuel poverty.

Through the introduction of referral partnerships this year the volume of support increased to the highest level to date of 11,000 homes benefiting from the service. We are now helping to provide our customers with advice on issues such as energy saving and income maximisation, as well as offering debt advice, replacement white goods, free energy efficiency measures and referral to other relevant services.

Complaints

The number of complaints we receive has increased in through year, with complaint volumes up 35% compared to the prior year. The increase is attributed to the high number of severe weather incidents experienced this year, notably Storm Arwen at the end of November 2021. We also track the time taken to resolve complaints when we do receive them. The overall complaints performance within the year continued to outperform the Ofgem penalty incentive and reflects a significant year on year reduction, with a complaint metric of 3.45 (2021: 1.76), with 80.1% of complaints resolved in 24 hours (2021: 85.7%). This complaint metric reflects the percentage of complaints resolved within 24 hours, combined with the percentage of complaints resolved within 31 days.

3.6. Social Obligations

ENWL is committed to ongoing stakeholder engagement and recognises the proven value and insight that stakeholder relationships bring to our decision making, risk management and reputation.

This year we continued to develop our ongoing discussion and challenge with our stakeholders and advisory panels around our current activities, performance and RIIO-ED1 business commitments along with continued engagement around refinement of our RIIO-ED2 business plan and associated strategies, including the Stakeholder Engagement and Awareness Strategy.

We committed to giving stakeholders and customers a strong voice in shaping our ED2 business plan. Over the last two years we engaged with more than 18,500 customers, consumers and stakeholders as part of our six-stage engagement plan. In the first year the focus was understanding priorities and customer and stakeholder willingness to pay for services.

Our independently-chaired Consumer Vulnerability and Sustainability Advisory Panels alongside our strategic Chief Executive Advisory Panel have continued to present robust challenge and insight into our current activities whilst also providing valuable input into key ED2 strategies, particularly the Electricity Users in Vulnerable Circumstances Strategy and the Environmental Action Plan. The panels have met 'virtually' 18 times this year giving 35 hours of engagement to the Company.

This year our three annual regional advisory panels, were co-hosted by the regional authorities in Greater Manchester, Lancashire and Cumbria enabling us to present a regional perspective and demonstrate the benefits of joint engagement and strategic regional understanding of key issues such as net zero, electricity users in vulnerable circumstances and regional economic development.

In addition to our advisory panels and comprehensive programme of market research, we deliver a multitude of topic specific events and webinars (connections, flexibility services, net zero etc), strategic bilateral meetings with key stakeholders and participation in key local and regional forums and strategic groups. This approach helps to ensure that we actively participate with stakeholders and help to shape and inform our collective strategies.

The benefit of our stakeholder engagement was demonstrated during Storm Arwen in late 2021, when our pre-existing relationships and communication channels enabled key strategic stakeholders and MPs to work proactively with us to share details of customers in vulnerable circumstances, identify areas of concern and relay updates to constituents. This year our stakeholder satisfaction survey continued to show high levels of overall satisfaction (82%). Over 120 participants responded achieving excellent representation across our mapped stakeholder community. The survey measured overall satisfaction, attitudes towards the relationship held, future engagement preferences and improvement areas. The results continued to indicate a strong correlation between the frequency of engagement, stakeholders' familiarity with our business and overall satisfaction.

To support adherence to these initiatives, we are required to submit annually to Ofgem a 'Stakeholder Engagement and Customer Vulnerability' submission. The company has engaged auditors for a non-financial assurance of its commitment to Accountability Principles for Sustainable Development (AA1000APS).

Our SECV score for 2021/22 has recently been confirmed at a disappointing score of 4.31, a 2.3 point reduction on the prior year (6.61). We are awaiting detailed feedback from the panel and will review our improvement plans where required to reflect the feedback received.

4. Overview of regulatory performance

4.1. RoRE

RoRE based on Actual Gearing	Cumulative to 2022 £m	RIIO-1 period £m
Allowed Equity Return	***5.3%***	***5.3%***
Totex outperformance	1.5%	1.6%
IQI Reward	0.2%	0.2%
Output Incentives	2.0%	2.0%
Other	0.0%	-0.1%
RoRE - Operational performance	***9.0%***	***9.1%***
Debt performance - at actual gearing	-1.1%	-0.9%
Tax performance - at actual gearing	0.0%	0.2%
RoRE - including financing and tax	***7.9%***	***8.4%***

The legitimacy of the returns made in the energy sector remains an area of focus. We believe it is important that equity returns are reported prominently by networks in a transparent and consistent manner. As a result, we continue to disclose our Return on Regulated Equity ('RoRE') in our Annual Report and Financial Statements, most recently for the year ended 31st March 2022.

On an actual gearing basis, our Allowed Equity Return is 5.3%. For the first seven years, totex outperformance contributes an additional 1.5%, output incentives that we have earned add a further 2.0% and IQI reward adds 0.2%. This results in a figure of 9.0% for the Operational Components of RoRE.

This metric provides only a partial view on returns, it does not include the additional performance relating to financing and tax and is therefore an incomplete measure of the actual returns earned by equity. It is therefore much more appropriate to focus on the post financing and tax RoRE when assessing company performance, sector returns and indeed, when considering how to calibrate Return Adjustment Mechanisms for ED2.

Our RoRE for the first seven years of ED1, including finance and tax is 7.9%, this includes an adverse impact of -1.1% financing and tax performance, driven by ENWL being under-funded on its efficiently incurred debt costs.

ED1 RoRE is forecasted to be 8.4% compared to 7.8% in the 2021 RFPR. It has increased this year primarily as a consequence of higher inflation for 2022 and 2023.

Inflation forecasts had been marked lower in the 2020 and 2021 RFPR following the onset of the Covid-19 pandemic, but it has since been volatile, with forecasts increasing sharply as a consequence of supply issues in world markets and the conflict in Ukraine. The 2022 RFPR reflects the inflation forecast increases for 2022 and 2023 which have notable impacts on financing and tax performance.

High inflation for FY22 and expected inflation for FY23 impact RoRE positively:

- Debt under-funding has reduced as a consequence of higher forecast inflation for FY22 and FY23 (further detail below). We note that ENWL has a higher proportion of RPI linked debt that the sector average, so this inflation benefit is lower for us relative to other networks in the sector.

Tax performance – interest costs relating to inflation linked debt have increased in the final two years of ED2, lowering the profits chargeable to corporation tax and therefore the tax payable. This has improved the tax funding position relative to the 2021 RFPR. As mentioned above, debt performance is sensitive to inflation. For inflation-linked debt (including fixed debt swapped to inflation-linked using derivatives), higher inflation is largely neutral, with higher indexation and accretion charges broadly offset by a higher 'inflation in interest' adjustment.

This is not true however for fixed nominal debt. These debt costs are, by nature, fixed and any increase in inflation forecasts will only increase the 'inflation in interest' adjustment, thereby reducing the 'real' debt costs for fixed nominal debt.

By contrast, the debt allowance is only minimally impacted by changes in annual inflation forecasts, partly due to its historic tromboning construct and partly due to the use of more stable 10yr breakeven rates when calculating real allowances.

Economically, this dynamic leads to an improved debt-funding position when inflation is high and a worse debt-funding position when inflation is low. It highlights the inflation risk inherent in the price control and the associated risk reduction to networks from holding inflation linked debt, either from direct inflation linked issuances or through the use of derivatives.

We note that the 'inflation in interest' adjustment continues to be calculated based on the average gross debt position rather than the average net debt position. This is inconsistent with other elements of the calculation, with net financing costs effectively including cash interest income at nominal (unadjusted for inflation), with cash interest expense at real (adjusted for inflation). The effect of using net debt would be to reduce the 'cumulative to 2022' RoRE position from 7.9% to 7.5% and the ED1 position from 8.4% to 7.8%, on an 'actual gearing' basis.

Totex outperformance reflects the efficiencies earned during ED1, net of reinvestment of efficiencies and sharing that benefit with customers.

4.2. Allowed Revenue

Nominal prices	***Actuals*** **2016** **£m**	***Actuals*** **2017** **£m**	***Actuals*** **2018** **£m**	***Actuals*** **2019** **£m**	***Actuals*** **2020** **£m**	***Actuals*** **2021** **£m**	***Actuals*** **2022** **£m**
Nominal Base Revenue	403.6	409.4	389.9	399.0	410.3	416.2	412.8
Incentive revenue adjustment	8.4	15.8	17.2	16.7	15.8	17.0	22.9
Adjustments for Allowed Pass-Through items	-	-	(0.9)	(0.8)	(4.2)	(3.9)	(4.0)
Network Innovation Allowance	2.5	2.9	2.7	2.8	2.9	2.9	2.9
Low Carbon Networks Fund revenue adjustment	1.6	0.1	0.3	0.7	0.1	(0.3)	0.1
DPCR4 residual distribution losses incentive and Growth Term	(11.6)	(10.7)	-	-	-	-	-
Correction factor	-	(30.6)	11.1	4.2	(3.8)	(0.3)	10.0
Allowed Network Revenue	**404.6**	**448.1**	**398.1**	**414.1**	**428.7**	**432.2**	**424.7**

2022 allowed revenue at £424.7m represents a 1.7% decrease in allowed revenues compared to 2021. Incentive revenue improvement reflects a 2020 strong performance (allowed revenue is delayed by two years) on connections customer satisfaction for the Broad Measure output incentive and CI/CMLs for the interruptions-related quality of service output incentive.

The correction factor, representing a 2020 over-recovery of allowed revenue has brought down 2022 allowed revenue.

Our incentive revenue forecast is reviewed in detail in Section 4.3.

4.3. Output incentive performance – earned basis

12/13 prices	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m	*Forecast* 2023 £m	Cumulative to 2022 £m	RIIO-1 period £m
Broad measure of customer service	(0.2)	0.5	1.5	2.0	2.5	2.6	2.5	3.2	11.3	14.5
Interruptions-related quality of service	10.3	9.6	7.8	8.0	11.0	9.9	10.6	11.0	67.2	78.2
Incentive on connections engagement	-	-	-	-	-	-	-	-	-	-
Time to Connect Incentive	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	6.8	7.7
Losses discretionary reward scheme	-	0.6	-	-	-	-	-	-	0.6	0.6
Post-Tax Earned Incentive revenue	**11.1**	**11.6**	**10.3**	**10.9**	**14.4**	**13.4**	**14.0**	**15.2**	**85.8**	**101.0**

The output incentives are linked to delivering improved service levels to customers in the areas they value most and is also an important component of RoRE. In the seven years of the price control they contribute 2.0% of RoRE on average with the Interruptions Incentive Scheme (IIS) incentive contributing the most reward, through improving reliability levels to customers.

The output incentives are dependent on our key operational performance metrics as discussed in the Key Operational Performance Measures section above. We forecast those incentives to contribute around 2.0% of RoRE (on actual gearing basis) for the full price control. Importantly the rewards we earn under these incentives have been set by Ofgem so that the rewards, reflected in our RoRE reflect the benefits delivered to customers so customers are net beneficiaries of our incentive performance. We invest both financial resources and management time to achieve these outcomes for customers. We continue to strive to deliver improved service levels for our customers, committing additional investment to do so, influenced by our programme of stakeholder engagement.

4.4. Totex performance

12/13 prices	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m	*Forecast* 2023 £m	Cumulative to 2022 £m	RIIO-1 period £m
Latest Totex actuals/forecast	230.5	195.4	226.6	232.7	212.7	201.7	207.8	231.4	1,507.4	1,738.7
Totex allowance including forecast allowed adjustments and uncertainty mechanisms	237.4	226.9	228.9	231.2	231.5	236.5	247.1	232.6	1,639.5	1,872.2
Totex out(under)performance	6.9	31.5	2.3	(1.4)	18.8	34.8	39.3	1.3	132.1	133.4
Customer share of out(under) performance	2.9	13.2	1.0	(0.6)	7.9	14.6	16.5	0.5	55.3	55.9
NWO share of performance	4.0	18.3	1.3	(0.8)	10.9	20.2	22.9	0.7	76.8	77.5
Total enduring value adjustments	(3.3)	(20.4)	1.9	28.6	(0.4)	(15.4)	(15.8)	24.7	(24.8)	(0.0)
Enduring Value: Customer share of performance	(1.4)	(8.5)	0.8	12.0	(0.2)	(6.5)	(6.6)	10.4	(10.4)	(0.0)
Enduring Value: NWO share of performance	(1.9)	(11.9)	1.1	16.6	(0.2)	(9.0)	(9.2)	14.4	(14.4)	(0.0)
Total out(under) performance (including enduring value adjustments)										
Customer share of performance	1.5	4.6	1.8	11.4	7.7	8.1	9.9	10.9	45.0	55.9
NWO share of performance	2.1	6.4	2.5	15.8	10.7	11.3	13.7	15.1	62.4	77.5
Total	**3.6**	**11.1**	**4.2**	**27.1**	**18.4**	**19.4**	**23.5**	**26.0**	**107.4**	**133.4**

Totex spend for the year ending 31 March 2022 was £207.8m compared to an Ofgem allowance of £247.1m in 2012/13 prices. In the first seven years of the RIIO ED1 period we spent £1,507.4m on operating and managing the network; this is compared to an allowance of £1,639.5m, 8% lower than allowance before taking delivery of outputs into account. An Enduring Value adjustment of -£24.8m has been included to take into account such timing differences, generating underlying totex outperformance of £107.4m. Of these savings, £45.0m is returned to customers. The ED1 forecast period shows expected outperformance of £133.4m.

Totex performance to date reflects efficiencies earned of £190m, net of reinvestment of £76m not otherwise reflected in the enduring value adjustment.

The main savings against allowances to date are seen in load and non load expenditure. In respect of load related expenditure, demand increases experienced in the earlier years of ED1 have not warranted the forecast level of reinforcement interventions. We are however starting to see increasing spend in this area as a number of major infrastructure investments, particularly in the Greater Manchester and Lancashire areas, commence. We are also generating efficiencies in non load capex as targeted investment has delivered risk point reductions in line with our target but at a more efficient unit rate (9.9m or 86% of our 11.5m risk point target has been delivered at March 2022), combined with the use of innovative solutions in other investment areas.

There are areas where our spend is above allowances, notably in network operating costs which includes the impact of storms Desmond and Eva in 2016, as well as Arwen and Franklin in 2022. We also continue to experience higher volumes of non smart cut out interventions and are investing above our allowances to improve network resilience and quality of supply and in IT to facilitate business change.

By identifying and delivering efficiencies, we have been able to make significant reinvestment of savings in our operations to deliver improvements for our customers in reliability, resilience and customer service and proactively invest in the next generation Network Management Systems (NMS). This investment, combined with the recent investment in our telecoms network, significant investment in data cleanse activities and Active Network Management (ANM), means the business is well placed to lead the transition to provision of DSO (Distribution System Operator) activities.

Additional investment to date includes the investment in the commercialisation and expansion of CLASS (£15m), quality of supply (£34m), operational IT spend above allowances to facilitate DSO capability through NMS and ANM (£9m) and non-operational IT to improve business systems and processes (£23m). These investments are all expected to either enhance network performance or to deliver totex efficiencies, which are then shared with customers, in the last year of ED1 and into ED2.

The Enduring Value methodology and adjustments are outlined in Appendix 1. The most significant elements of the calculation are the deferral of load related expenditure into the latter years of ED1 offset by advanced delivery of the asset replacement network investment programme as noted in the variances above.

4.5. Innovation performance

Our innovation strategy forms an integral part of our business plan and is key to our success. It sets out our values, why we innovate for our customers and how we ensure we deliver value for them through a series of innovative projects.

It also sets out the challenges we face, our approach to using innovation to address these challenges, and the principles and themes that guide our thinking and the development of innovation projects. The strategy outlines our approach to engagement with stakeholders, including how to get involved in helping us with ideas and delivery of our plans.

Innovation is the ‘ideas cauldron’ where novel techniques and potential solutions, whether they be technological or commercial, are analysed, developed, trialled and ultimately transformed into practical solutions to deliver a better, zero carbon service for our customers; improve network performance and safety; and deliver ever more efficient ways of working

Core to the principles of the RIIO framework of electricity regulation, is that network operators must continue to provide and plan for a reliable and efficient network, while preparing for the net zero future, keeping costs low and ensuring that all our customers are included and treated fairly and equitably. Successfully delivering against our RIIO objectives presents several challenges right across

the organisation, and it is in these areas that we aim to focus our innovation efforts. For the purposes of thinking about innovation, the challenges can be split into three broad areas:

- Energy System Transition
- Asset management
- Vulnerability

We have further divided these areas in to our Innovation Themes as below:

- Consumer Vulnerability
- Net Zero and the Energy System Transition
- Optimised assets and practices
- Flexible and commercial evolution
- Whole energy system

These themes provide shared strategic direction, a means of categorising and tracking investment, and help innovators understand how they can collaborate with us.

During ED1 we have developed two leading technologies, CLASS and Smart Street, which go a long way to solving the difficulty of providing more capacity at both a reduced cost and a reduced carbon impact, compared to traditional methods. In 2022 we were awarded funding for a new Network Innovation project, BiTraDER which will start this year, with the aim of reducing barriers to the connection of low carbon generation and bring down whole system costs by adding value to the flexibility market.

The impact of innovation in the RIIO-ED1 price control is continuing to grow. Some examples are shown below.

CLASS

CLASS continues to be used as part of the ESO balancing service, helping to manage demand on the network efficiently. The use of CLASS in place of traditional generation to provide this service also has environmental benefits.

Smart Street

As the IRM deployment of Smart Street heads towards a successful conclusion we will soon be in a position to optimise the LV network. This will enable the network to run more efficiently and create capacity to facilitate load growth without reinforcing the network. Additionally, by running the network in this manner customers' appliances will run more efficiently, leading to savings on their energy bills

An example of an innovative solution adopted in the reporting year is that we have adapted the Reflect project.

Reflect

Following the successful completion of the Reflect project we have updated the models used to create our DFES to account for differing EV charging profiles that reflect the local reality in the different regions. This methodology was followed in our 2021 DFES. The outcomes of the project have also provided a modelling framework that will allow DNO's to consider other critical uncertainties in a planning context.

4.6. Financing and Net Debt position

£m 12/13	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m	*Forecast* 2023 £m	Cumulative to 2022 £m	RIIO-1 period £m
Assumed regulatory finance cost at actual gearing	38.6	36.2	28.7	29.3	30.9	38.6	20.9	11.6	223.2	234.8
Assumed regulatory finance cost at notional gearing	41.0	38.6	30.7	30.6	32.5	41.9	23.8	13.1	239.0	252.1
Forecast revised Cost of Debt Allowance	24.9	23.8	22.6	20.8	19.5	18.1	16.8	15.1	146.6	161.7
Cost of Debt out(under)performance at actual gearing (pre tax adjustment)	(11.0)	(9.8)	(3.7)	(6.1)	(8.9)	(17.8)	(1.2)	4.9	(58.5)	(53.6)
Cost of Debt out(under)performance at notional gearing (pre tax adjustment)	(13.2)	(12.0)	(5.6)	(7.3)	(10.3)	(20.9)	(3.6)	3.5	(72.9)	(69.4)
Impact on out(under) performance relating to deviating from notional levels of gearing (pre tax adjustment)	2.2	2.2	1.8	1.2	1.5	3.1	2.4	1.4	14.4	15.8
Notional Gearing	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
Actual Gearing	61.2%	61.0%	60.8%	62.3%	61.8%	59.8%	57.3%	57.2%	60.6%	60.2%
Average Net Debt (per Regulatory Definition)	920.9	922.5	924.2	955.5	956.3	937.1	912.5	926.0	932.7	931.9
Equity RAV	583.8	590.1	596.6	578.0	590.8	629.2	679.8	692.1	606.9	617.5
Adjusted RAV - including latest forecast and Enduring Value adjustments	1,504.7	1,512.6	1,520.8	1,533.5	1,547.1	1,566.3	1,592.3	1,618.1	1,539.6	1,549.4

Our debt structure comprises of the following debt and hedging instruments:

Debt Instruments

- £450m 8.875% fixed rate bond maturing in 2026. An original bond issuance of £200m was transacted in 1995, followed by three re-taps issued at varying premia between July 2001 and February 2002. All issuances have been separately included in the RFPR tables, in-line with the guidance provided.
- £100m 1.4746% +RPI index linked bond maturing in 2046
- £75m 1.656% + RPI index linked loan from EIB maturing in 2024
- £60m 1.51% + RPI index linked loan from EIB maturing in 2024
- £50m 0.38% + RPI index linked loan from EIB maturing in 2032
- £50m 0% +RPI index linked loan from EIB maturing in 2033
- £300m 1.415% fixed rate back to back bond from ENW Finance plc, issued in July 2020, maturing in 2030
- £84.2m of various intercompany loans at differing fixed nominal rates issued maturing in 2023. All rates were set as third party market rates at the time of issue
- £50m revolving credit facility, of which nil was drawn at year end, and forecast to remain nil at the 2023 year end.

Hedging Instruments

- A set of RPI swaps totalling £200m (receive fixed to 2021, floating from 2021 to 2038, Pay RPI from start to 2038. These hedged the £200m fixed rate inter-company debt (ref C6) which matured in 2021. Subsequent to the maturity of the £200m fixed rate inter-company debt, the swaps hedge £200m of the £300m fixed rate debt entered in 2020. When this debt matures in 2030, these swaps continue to hedge the replacement debt until 2038, hence the maturity date of the swaps of 2038. These swaps are structured on a PAYG basis, with accretion payable at either five or seven year intervals, dependant on the swap. All interest rates were competitively negotiated at

inception of each instrument. The receive leg of the swap moved from fixed to floating in 2021, aligning with the maturity of the original underlying debt.

- A new £200m swap was entered into during FY21 which came into effect from July 2021, which receives fixed and pays floating until 2030. The effect of this combined with the pre-existing £200m 2038 RPI swaps is to maintain the net position of receive fixed and pay RPI until 2030.
- A set of RPI swaps totalling £100m (Receive fixed to 2026, floating to 2050, pay RPI to 2050) which have the cumulative impact of hedging £100m of the £250m fixed rate debt maturing in 2026. Similar to above, these swaps mature in 2050 and it is our intention to use them to hedge future debt. These swaps are structured on a PAYG basis, with accretion payable at ten year intervals, from 2030.

Without these hedging instruments, the proportion of nominal fixed and floating debt to index-linked debt would be 67%:33%. With these financing instruments in place, the proportion of nominal fixed and floating debt to index-linked debt is 42%:58%, in line with our treasury policy guidance for the proportion of index-linked debt held by the company, as approved by our Board.

The real interest coupon payable on index-linked financing is aligned with the real debt allowance (and RAV RPI indexation) received under the RIIO framework. Holding a high proportion of index-linked finance minimises the cash flow mismatch between the inflation expectation 'wedge' built into nominal fixed interest payments and the actual, variable RPI outturn.

Forecast Debt issuance summary

Date of Issue	Amount	Interest Rate Assumption	Financing Rationale
ED1			
2022/23	£84.2m	3.80% nominal	Intercompany loans maturing March 2023 refinanced with like for like intercompany loans at an arms length, market rate basis
2022/23	£375m	3.80% nominal	Refinance of the £135m EIB index-linked debt (accreted value forecast to be £215m at repayment) plus an additional £120m to cover the incremental debt requirement for target gearing and to finance the ED2 business plan
			Note: Forecast debt financing in ED2 is provided for information only below and is not included in the RFPR data tables
ED2			
2024/25	£400m	4.03% nominal	Refinance of £450m 8.875% bonds maturing in 2026 via a bond issue
2025/26	£350m	4.14% nominal	Issuance to cover incremental debt requirement for target gearing and to finance the ED2 business plan

Debt performance

On an actual gearing basis our cost of debt underperformance is £58.5m (2012/13 prices) for the first seven years of the price control and expected to be £53.6m (2012/13 prices) cumulatively for RIIO-ED1. Our underperformance is due to the mechanics of the current debt allowance, which give rise to the following:

- We have large embedded debt costs (£450m bond finance raised pre 2005) which pre-date the current trailing average mechanism. This debt was efficiently raised at the time of issuance however market rates have since fallen significantly.
- We are a small DNO and a singleton licensee, and as an infrequent issuer we are unable to raise 1/20th of our debt every year to match the current trailing average mechanism allowance, due to minimum issuance sizes in the markets.
- Debt with longer maturities of over 20 years are common within infrastructure, and help us to manage liquidity risk in particular, as well as ensuring market-backed sizes and reducing double handling.
- The pricing of smaller debt issuances is often at a premium to larger, issuances. There is no adjustment for this 'small company premium' within the current debt allowance.
- ENWL is an efficient, well performing company with gearing below notional level, but is rated BBB+ only. However, the trailing average mechanism uses a blend of iBoxx A and iBoxx BBB indices to estimate reference debt pricing.
- There is no allowance for the debt carry costs of refinancing ahead of debt maturity ("double-handling") within the trailing average mechanism. In order to support our investment grade credit ratings, we need to refinance in advance of our maturities.
- The trailing average mechanism assumes that debt is raised at the average annual pricing level. Debt pricing can fluctuate materially within the year. Again this can create windfall gains or underperformance due to lucky timing rather than good management performance.

Overall, we consider the current cost of debt allowance methodology to favour the 'lucky' – those who have been lucky in their timing of refinancing and issuance, and the 'large' – larger, higher investment rated companies who are able to access the market more frequently with larger amounts.

4.7. Taxation

12/13 prices	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m	*Forecast* 2023 £m
Adjusted/ forecast regulated tax liability with timing differences	24.4	25.6	14.9	19.2	20.6	14.7	8.9	5.0
Revised regulated tax liability for comparison against allowance	23.8	24.9	14.1	18.7	20.1	13.9	6.9	2.4
Net forecast tax allowance	20.9	26.5	20.3	18.9	18.4	18.1	17.4	12.5
Regulated tax out(under) performance at actual gearing (pre adjustment for financing)	**(3.5)**	**0.9**	**5.4**	**(0.3)**	**(2.2)**	**3.4**	**8.5**	**7.5**
Regulated tax out(under) performance at notional gearing (pre adjustment for financing)	**(2.9)**	**1.6**	**6.3**	**0.2**	**(1.7)**	**4.2**	**10.6**	**10.1**
Impact on out(under) performance deviating from notional levels of gearing (pre adjustment for financing)	(0.6)	(0.7)	(0.9)	(0.5)	(0.5)	(0.8)	(2.1)	(2.6)
Tax performance - at notional gearing (RoRE)	**(5.9)**	**(1.4)**	**4.4**	**(1.5)**	**(3.9)**	**2.5**	**7.7**	**7.9**

The tax under-performance in FY16, FY19 and FY20 relates to the fact that net revenue was greater than per the PCFM, resulting in a higher actual tax charge compared to the tax allowance.

There was a tax out-performance in FY17, FY18, FY21 and FY22. Although actual net revenue was higher than the PCFM in FY17, the collected revenue adjustment resulted in a tax out-performance. In FY18 and FY21, this was due to net revenue being lower than revenue per the PCFM, resulting in a lower tax charge compared to the tax allowance.

The tax out-performance in FY22 is as a result of the increase in swap accretion and bond indexation following the rise in inflation. This has led to a reduction in tax liability and consequently improved performance against the allowance relative to the 2021 RFPR.

The difference in the capital allowances between the PCFM and the actual CT600 will comprise two elements: being the difference between how the capital allowances are calculated between the PCFM and the CT600; and the difference between actual capital expenditure and expected capital expenditure.

For this RFPR we have not split these out due to the complexity involved and the full difference has been included within the revised regulated tax liability for comparison against allowance.

For FY22 and FY23, capital allowances super-deductions have also been in the calculation of both the forecast actual tax liability and the forecast tax allowance. A tax trigger adjustment has been made in the case of the PCFM.

The "Tax impact of financing performance (at actual gearing)" has been calculated by taking the actual financing cost (at actual gearing) less the debt allowance multiplied by 65% of the RAV. The result is multiplied by the appropriate tax rate.

The "Tax impact of financing performance (at notional gearing)" has been calculated by adjusting actual financing cost for the ratio of the notional to actual gearing difference. This is compared to the allowance multiplied by 65% of the RAV. The result is multiplied by the appropriate tax rate.

We note that Ofgem has not provide formal guidance on how to calculate the tax impact of financing performance and that this may lead to differing methodologies being adopted by networks. We feel it would benefit transparency and consistency of reporting if common guidance was issued here.

4.8. RAV

12/13 prices	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m	*Forecast* 2023 £m
Opening RAV (before transfers)	1,526.2	1,538.9	1,540.9	1,554.5	1,564.8	1,580.7	1,602.4	1,632.1
Opening RAV (after transfers)	1,526.2	1,538.9	1,540.9	1,554.5	1,564.8	1,580.7	1,602.4	1,632.1
Net additions (after disposals)	159.5	145.3	155.0	157.7	152.0	150.9	156.8	157.9
Net additions (after disposals) - enduring value adjustment	0.9	5.8	(0.5)	(8.1)	0.1	4.4	4.5	(7.0)
Total Net Additions	160.4	151.1	154.5	149.5	152.1	155.3	161.3	150.8
Depreciation	(147.7)	(149.1)	(140.6)	(138.9)	(136.3)	(133.6)	(131.6)	(129.8)
Total Depreciation	(147.7)	(149.1)	(140.9)	(139.2)	(136.3)	(133.6)	(131.7)	(130.0)
Adjusted Closing RAV	**1,538.9**	**1,540.9**	**1,554.5**	**1,564.8**	**1,580.7**	**1,602.4**	**1,632.1**	**1,652.9**

Regulatory asset value (RAV) effectively reflects the part of totex costs that are not immediately chargeable to the customer via allowed revenue, thereby spreading costs between current and future generations. Our adjusted closing RAV as at 31 March 2022 is £1.6bn in 12/13 prices. This number is expected to increase in comparable price base as we continue to invest in the network. RAV has also

been adjusted in table R9 as a result of the adjustment to totex for Enduring value. Please see the enduring value section in Appendix 1 for further details.

4.9. Dividends

Nominal prices	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m
Dividend paid as per Statutory Accounts	30.0	81.0	75.6	46.3	38.3	30.7	97.1

During the year ended 31 March 2022, the Company declared final dividends for the year-ended 31 March 2021 of £15.9m, paid in June 2021 (2021: nil), and interim dividends for the current year of £81.2m, paid in December 2021 (2021: £30.7m). The Directors have proposed a final dividend of £23.0m for the year ended 31 March 2022.

The dividends are paid from the available cash in each financial year at semi-annual intervals, with reference to the forecast business needs, the Group's treasury policy on liquidity, financing restrictions, applicable law in any given year and the Company's licence obligations. We continue to invest in our network, aiming to deliver optimal performance for our stakeholders. We focus on delivering business performance throughout the final year RIIO-ED1 and into RIIO-ED2 that is both strong and continuously improving.

4.10. Pensions

12/13 prices	*Actuals* 2016 £m	*Actuals* 2017 £m	*Actuals* 2018 £m	*Actuals* 2019 £m	*Actuals* 2020 £m	*Actuals* 2021 £m	*Actuals* 2022 £m
Established deficit element funded via specific allowances	10.4	10.3	15.1	15.0	15.1	15.7	15.3
Established deficit (EDE) allowance as per PCFM	15.8	15.8	15.8	11.6	11.6	11.6	10.8

Latest pension scheme valuation (as advised to be used by Ofgem)	*31/03/2019*
Price base	*2018/19*
	£m
Total Liabilities attributable to post cut-off date notional sub fund	196.0
Total Liabilities attributable to pre cut-off date notional sub fund	1,282.4
Total Assets attributable to post cut-off date notional sub fund	203.5
Total Assets attributable to pre cut-off date notional sub fund	1,205.4
Deficit in the post Cut-Off Date Notional Sub-Fund	(7.5)
Deficit in the pre Cut-Off Date Notional Sub-Fund	77.0
Licensee element of established deficit	77.0
Licensee element of incremental deficit	(7.5)

Reporting of pension deficit information is aligned with Ofgem's latest reasonableness review (Nov 2020) which takes place every three years. The updated triennial review is based on a 31 March 2019 valuation.

We continue to monitor the performance of the pension funds with the funding rate at 31 March 2022 being approximately 95%.

Formal pension funding documents can be requested from the ENW Pensions Department.

5. Data assurance statement

While we have applied the principles of Ofgem's data assurance guidance we also note the element of judgement required in preparing the forecasts until the end of the RIIO-ED1 period. We have also used certain assumptions regarding the RIIO-ED1 close out methodology in arriving at the Enduring Value adjustment, thus having an impact on our RoRE forecast. The submission has been subject to expert and second person review and signed off by the Chief Financial Officer.

6. Appendices

6.1. Appendix 1 - Enduring Value Methodology

Overview

Enduring value (EV) is an adjustment made to totex performance by licensees to reflect the true value of the performance over the course of the price control. The adjustment reflects the estimated value of the impact of decisions that impact future value. Adjustments are made for the known or estimated value of close out mechanisms and to reflect timing differences in delivery for example, expenditure in advance or lagged from the timing of the allowance received.

For ENWL, the two most material items impacting the enduring value are:

1. The timing of load related expenditure which is profiled more heavily in the second half of ED1, particularly the last year of the regulatory period, taken from the latest approved Business Plan.

2. Timing of delivery of the IRM funded Smart Street Roll out verses allowances and in delivery of risk points.

Enduring Value Methodology

The approach to Enduring value by core category is outlined below:

Totex category	Expenditure Type	Basis of EV calculation
Non Load	Asset replacement and refurbishment	Enduring value adjustment created on basis of progress against risk point targets. If risk point delivery is on track, no adjustment is made. Adjustments are made to reflect over or under delivery of risk points using the actual and forecast unit rate.
	Expenditure related to a Business Plan commitment	Any expenditure behind planned delivery will be included in the EV calculation e.g. Delayed delivery of pinch points
	Other Network Investment (e.g. Flood mitigation, legal and safety, Rising & lateral mains etc.)	Current under / over spends vs. allowances fall into the EV calculation to the extent they unwind over ED1.
Load Related expenditure	Reinforcement expenditure (Distribution and connections) less customer contributions	Three elements of calculation:

Totex category	Expenditure Type	Basis of EV calculation
		• Impact of higher / lower customer contributions recognised in the year they occur • Proportional recognition of overall forecast ED1 efficiency i.e. 6/8 of forecast ED1 efficiency was recognised at March '20 • The balance of expenditure variance, relating to timing, falls into EV being the variance to date we expect to unwind during ED1.
Network Operating Costs	Troublecall / I&M / cut outs (non smart)	Adjustments only in exceptional circumstances – out/underperformance in year taken to RoRE. Adjustment applied dependent on separate scrutiny of individual components in light of events affecting the network – storm-related repairs, etc. Separate consideration for Business Plan commitments and other internal programmes such as annual tree cutting profiles
Business Support / Closely associated Indirects		Adjustments only in exceptional circumstances – out/underperformance in year taken to RoRE. Under / over spend recognised in year with adjustments only for exceptional events. In ENWL's case, the element of the insurance claim receipt from the December 2015 storms which relates to future expenditure to improve flood defences has been treated as an enduring value adjustment in the past.
Non Operational Capex	Non Operational IT / Fleet / Logistics / accommodation	Adjustments only in exceptional circumstances – out/underperformance in year taken to RoRE. General principle is that under or overspend is recognised in the year it arises. Adjustments limited to specific large projects where acceleration or deferral has occurred.
IT&T Capex	Operational IT	Adjustments only in exceptional circumstances – out/underperformance in year taken to RoRE. General principle is that under or overspend is recognised in the year it arises. Adjustments limited to specific large projects where acceleration or deferral has occurred, in our case acceleration of an operational IT system (NMS).

Totex category	Expenditure Type	Basis of EV calculation
Uncertainty mechanisms		Adjustments made to include expected impact of close out mechanisms requires definition of close out mechanism. ENWL impact: NOMS – no adjustment as risk points delivery expected to be in line with target Street-works – Adjustments to allowances made as per 2019 reopener assessment. Smart meters – allowed revenue adjusted with volume driver mechanisms Load reopener/ net to gross: Innovation offset identified at the time of reporting to Ofgem is considered in assessing the impact of close out mechanisms No other close out or uncertainty mechanisms impact is expected

Other assumptions

1. Close out mechanisms are reflected on the basis of information available at the time and clarity of close out mechanisms
2. Non-totex costs are excluded from the enduring value calculation.

Summary of position at 31 March 2021

Enduring value summary £m (2012/13 prices)	Cumulative 2022	Cumulative 2021
Load related costs	**16.9**	**22.6**
Non load – risk point assessment	**4.6**	**(12.0)**
Non load – other	**0.6**	**(1.7)**
Smart Street IRM	**2.6**	**-**
Business support – Insurance recovery	**-**	**-**
Total	**24.7**	**8.9**

6.2. Appendix 2 - Net Debt Forecasting Assumptions

Our Net Debt forecast is based on a retained gearing position of 62-63% RAV, allowing for 2-3% headroom against the regulatory assumption of an efficient DNO.

In the eight years to 31 March 2028, ENWL has the following debt maturities requiring refinancing:

- £84.2m of various intercompany loans at differing fixed nominal rates issued maturing in 2023.
- £75m 1.656% + RPI index linked loan from EIB maturing in 2024.
- £60m 1.51% + RPI index linked loan from EIB maturing in 2024.
- £450m 8.875% fixed rate bond maturing in 2026

In addition, there is capacity for incremental borrowings, which have been forecast based on business need and with reference to expected RAV growth. Noting Ofgem's decision to reduce notional gearing from 65% to 60%, the level of refinancing may be reduced to enable ENWL to de-gear to the new required level.

The key assumptions used in modelling the debt and financing costs are as follows:

- **Refinancing rate and issuance costs.** As we prepare this year's RFPR we have received Ofgem's Draft Determination for ED2 and are awaiting the Final Determination in December 2022. Our working assumption for refinancing rates is derived from WACC allowance model provided by Ofgem in the Draft Determination, which includes the forecast spot iBoxx Utility nominal rates. **Debt issuance timing.** All external debt is assumed to be refinanced 12-18 months before the existing maturity date to reflect our treasury policy and manage liquidity risk in order to maintain our investment grade rating. This inherently includes either 'double-handling' costs for this period necessary to minimise our liquidity risk exposure. The 12 months is set to manage liquidity concerns against debt investors. At the time of refinance we would look to implement a forward starting debt product to mitigate these double handling costs whilst managing liquidity concerns.

  The £84.2m inter-company loan has been borrowed in instalments from the parent company, North West Electricity Networks plc. This is not directly linked to external debt and, as such, is forecast to be refinanced on maturity in March 2023, without double-handling, at the same amount. All intercompany borrowings are made on an arms' length basis, reflecting market rates at time of drawing.

- **Issuance size.** To access the debt markets efficiently, we base our figures on a minimum issuance size of debt of £250m. We also take into consideration our incremental debt requirements at the time to maintain our RAV gearing targets.
  The precise timing and sizes of issuances during ED2 is subject to the outcome of Final Determinations from Ofgem but the current planned issuances can be seen in the forecast debt issuance summary table in section 4.6

- **Nominal and index-linked debt.** Refinancing is currently planned to be on a nominal basis and will be revisited at the time of refinancing.

6.3. Appendix 3 - Methodology notes for completion of Net Debt and Financing tables

In completing the tables, we have made the following assumptions:

- A forecast of 'New/refinanced debt issuance expenses' has been included as a cash cost in the year incurred. Accounting treatment will be to capitalise the cost and amortise it over the life of the financing.
- Following the adoption of the IFRS9, the ENWL £250m bonds maturing 2026 are now held at amortised cost rather than fair value. This change took effect for the 2019 RFPR. The bonds were issued in three tranches across 2001-2002, at a premium to principal. This accounting change impacts the RFPR and the RoRE calculation in two areas.
    - Firstly, the regulatory debt has increased reflecting the unamortised premium on issuance.
    - Secondly, the annual amortisation of the remaining premium reduces ENWL financing costs.
- The reporting approach and standards are being developed over time for this new regulatory reporting pack. As a result of recent developments, the resultant financing charge is more reflective of the effective financing rate on issuance. While IFRS9 is only effective for the year ending 31st March 2019 onwards, we have chosen to include a retrospective adjustment for the first three years of ED1 to ensure performance is consistent across the regulatory reporting period. These changes have had the impact of increasing the reported return and debt performance in the RFPR.
- The Net Debt per Regulatory definition excludes debt fair value adjustments and the fair value of the derivative. It also excludes any restricted cash balances. Movements in future fair values or restricted cash balances have not been forecast, therefore, the actual 2021/22 figures have been held flat in the forecast.
- The cash balance in ED1 is forecast to be maintained at, or above, a minimum acceptable level for working capital requirements. In some years it could be significantly higher due to liquidity requirements and maturing debt instruments being pre-funded (see above).
- Table E shows trading and rechargeable balances between ENWL and other Group companies. These balances are all held flat for forecasting purposes.
- To calculate proportions of debt which are fixed / floating / index-linked on a pre and post-hedging basis, we have excluded the retained cash balances from the Total Net Debt subtotal in order to provide a meaningful split. If these balances are included (presumably on a floating basis), then during periods of 'double-handling' when the cash balances are significant, the resultant proportions calculated can be negative and misleading. We therefore believe that the proportions shown are more helpful and reflective of our underlying interest rate exposures.

7. Glossary

ASID	Average Supply Interruption Duration
BEIS	Department for Business, Energy and Industrial Strategy
CI	Customer Interruptions
CLASS	Customer Load Active System Services
CML	Customer Minutes Lost
CNAIM	Common Network Asset Indices Methodology
CSAT	Customer Satisfaction
DNO	Distribution Network Operator
DSO	Distribution System Operator
ENWL	Electricity North West Limited
EV	Enduring Value
GEMA	Gas and Electricity Markets Authority
GRESB	Global Real Estate Sustainability Benchmark
GSoP	Guaranteed Standard of Performance
IFRS	International Financial Reporting Standard
IRM	Innovation Roll Out Mechanism
NMS	Network Management System
Ofgem	Office of Gas and Electricity Markets
PSR	Priority Services Register
PCFM	Price Control Financial Model
RAV	Regulatory Asset Value
RFPR	Regulatory Financial Performance Reporting
RIIO	Revenue using Incentives to deliver Innovation and Outputs
RIIO - ED1	Revenue using Incentives to deliver Innovation and Outputs – Electricity Distribution 1
RIIO – ED2	Revenue using Incentives to deliver Innovation and Outputs – Electricity Distribution 2
RoRE	Return on Regulated Equity
RPI	Retail Prices Index - a UK general index of retail prices (for all items) as published by the Office for National Statistics (January 1987 = 100).
SECV	Stakeholder Engagement and Customer Vulnerability
tco_2e	Tonnes of Carbon Dioxide Equivalent
Totex	Total expenditure