# **Tideway updated Revised Revenue Statement 2021**

Allowed Revenue for Charging Year 2022/23

2340-TDWAY-TTTUN-990-ZZ-ED-700092

## Updated Revised Revenue Statement - 2022/23 Allowed Revenue

Submitted to Ofwat on 21 December 2021

£, nominal	Year preceding Prior Charging Year 2019/20	Prior Charging Year 2020/21	Current Charging Year 2021/22	Forthcoming Charging Year 2022/23
Allowed Revenue	63,431,062	76,465,429	87,029,095	86,316,446
Amounts received from TWUL	57,610,001	68,887,910		

## **RPI Updated IP Charge Notification - 2022/23**

Submitted to Thames Water on 21 December 2021

IP Charge for 2022/23 (£)

86,316,446

### November 2021 RPI

314.3

Source: RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 15 December, Office of National Statistics

### Introduction

### Statement of calculation

The following section sets out how Tideway's Allowed Revenue calculation has been made for the charging year 2022/23 (Eighth Charging Year). The Lionce has been written to provide the basis of a revenue submission in a typical year. A number of detailed modelling assumptions have been made in interpreting Appendix 1 of the Project Licence to ensure the mechanics of the calculation are in line with the spirit of the licence. These modelling assumptions are set out in the table below. This model, including these assumptions, as set out in the table below. This is denoted in the content with the resolutions described.

Sheet	Issue	Resolution
BBRA Inputs 2018, BBRA Inputs 2019, BBRA Inputs 2020, Inputs 2021	The 2014/15 RPI Adjustment Factor refers to "the percentage movement in the RPI (All Items) index as published by ONS for the period April to September in the calendar year" However, if the index values for April and September are taken, this only picks up 5 months of inflation. Together with the other elements of the formula, this results in an underestimate of inflation for the Charging Year.	Interpret the movement for the period April to September as the movement between the March and September index values, which ensures April inflation is also picked up.
BBRA Calculation 2018, BBRA Calculation 2019, BBRA Calculation 2020, Calculation 2021	Annual Actual Project Spend for the current Charging Year (Yi-1) feeds into the calculation of RCV, which is required for the calculation of the Return on Capital and Liquidity building blocks. The licence specifies that Annual Actual Project Spend should be deflated by the Applicable Change in Cost RPI for a Charging Year, rather than the 2014/15 RPI Adjustment Factor. However, the Applicable Change in Cost RPI can only be calculated following the publication of RPI for each month of the relevant Charging Year. This information is not available for the current Charging Year at the time the Revenue Statement is prepared.	Use the 2014/15 RPI Adjustment Factor to deflate the Annual Actual Project Spend in the current Charging Year. This will be trued up in next year's Revenue Statement as part of the building block reconciliation adjustment.
BBRA Calculation 2018, BBRA Calculation 2019, BBRA Calculation 2020	In order to reconcile Allowed Revenue calculated in prior years for updated inflation, it is not appropriate to use the 2014/15 RPI Adjustment Factor defined in Tideway's licence as more up to date information is available (i.e. a further year of actual inflation data which can be used to replace the forecast).	Use approach consistent with definition of 2014/15 RPI Adjustment Factor but with actual inflation used up to September of Y1. This is equivalent to applying the 2014/15 RPI Adjustment Factor values as calculated for the Eighth Charging Year Allowed Revenue calculation, and ensures the latest actual RPI data is taken into account.
Calculation 2021	One of the terms in the formula for the under/over recovered revenue adjustment (as set out in Appendix 1, Part A 7 of Tideway's licence) is "the amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Charging Year I-2". However, the licence does not specify the time period to which this element of the calculation should relate.	Interpret "the amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Charging Year t-2" as the amount that has been paid by Thames Water to Tideway and receipted in Tideway's bank account prior to the end of September of Charging Year t-1.
Calculation 2021	Appendix 1, Part A 7 of Tideway's licence requires that the under/over recovered revenue adjustment is calculated on a net present value neutral basis using the BWACC, but it does not specify the adjustment formulaically or specify the means of adjusting for inflation.	Apply a net present value adjustment in nominal terms by using (1+BWACC) as the real discount factor and adjusting for inflation using RPI. To reconcile amounts not yet received in respect of Charging Year I-2, this involves multiplying the unadjusted reconciliation amount by (1+BWACC) and the ratio between the Applicable Change Revenue RPI of the two charging years (to account for the two year delay in revenue receipts). A separate one-year NPV adjustment is applied to the further amounts received in respect of any Charging Year falling prior to Charging Year 1- 2 that have not been included in a previous revenue adjustment calculation. This is to account for the two ender delay between the collection of the original amounts and their incorporation into this revenue adjustment calculation for the forthcoming Charging Year. The adjustment involves multiplying the unadjuster teronomilation amount by (1+BWACC) and the ratio between the Applicable Change in Revenue RPI in the current and forthcoming Charging Years.
Calculation 2021	Appendix 1, Part A 8 of Tideway's licence requires a reconciliation adjustment of a number of building blocks for updated values. The licence requires that the adjustment is calculated on a net present value neutral basis using the BWACC, but it does not specify the adjustment formulaically or specify the means of adjusting for inflation.	Apply a net present value adjustment in nominal terms by using (1+BWACC) as the real discount factor and adjusting for inflation using RPI, taking into account the number of years since the Allowed Revenue for a given year was first calculated. This involves multiplying the treconciliation amount by (1+BWACC) raised to the power of the number of years since the Allowed Revenue for the relevant year was first calculated, and the ratio between the Applicable Change in Revenue RPI of the two Charging Years. The reconciliation amount is calculated relative to the value calculated in the prior year. The formulae used to perform this reconciliation are as set out in this statement of calculation.
BBRA Calculation 2018, BBRA Calculation 2019, BBRA Calculation	Additional Return on Capital and Additional Liquidity Building Blocks may never become relevant (i.e. these building blocks may only become relevant if Tideway applies for an Increase in Allowed Revenue (IAR).)	Exclude calculations for Additional Return on Capital and Additional Liquidity until there is a non-negligible probability that these will be required.

Calculation 2020, Calculation 2021

### Key to Charging Years

Year	Charging Year	Full description
2015/16	Y1	First Charging Year
2016/17	Y2	Second Charging Year
2017/18	Y3	Third Charging Year
2018/19	Y4	Fourth Charging Year
2019/20	Y5	Fifth Charging Year
2020/21	Y6	Sixth Charging Year
2021/22	Y7	Seventh Charging Year
2022/23	Y8	Eighth Charging Year
2023/24	Y9	Ninth Charging Year

Summary Below is a high-level breakdown of the Allowed Revenue for the Eighth Charging Year, with respect to each of the building blocks involved in the calculation.

'Tideway Allowed Revenue (t) =		Return on capital	+ Liquidity	+ Operating expenditure -	<ul> <li>Financing cost adjustment</li> </ul>	+ Tax	+ Revenue adjustment	+ Building block for reconciliation adjustment	+ Additional return on capital	+ Additional liquidity
Tideway Allowed Revenue (Eighth Charging Year)	=	95.0	+ 9	+ 0	-18.4	+ 0	+ 4.9	-4.2	0	0
	=	86.3	(£m)							

### The calculation of each of these elements is described below.

Inputs Inputs Drie inputs to this calculation, and the sources of these inputs, are set out on the "hiputs 2021" "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2019 and the "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA Inputs 2019" sheet isolates the inputs required to reconcile Allowed Revenue first calculated in 2018 (for the fifth charging year), "BBRA In

Return on Capital The Return on Capital building block allows Tideway to earn a return on capital in relation to the forecast average RCV in the Charging Year in question. Average RCV is calculated using annual actual, estimated and forecast allowable project spend, as shown in the table below.



### For the Eighth Charging Year, this building block is calculated as follows:

Return on Capital =	Average RCV in Y8		Bid WACC	Applicable Change in Revenue RPI for the Eighth Charging Year
=	3,105.3	·	2.497%	<u>314.3</u> 256.7
=	95.0 (£m)			

Liquidity The Liquidity building block allows Tideway a liquidity allowance (return on capital) in relation to the incremental average RCV in the year following the Charging Year in question.

### For the Eighth Charging Year, this building block is calculated as follows:

Liquidity =	(Forecast average RCV is	n year 9 - Average F	RCV in year 8) * Bid WACC * A	pplicable Chan	te in Revenue RPI for th	e Eighth Charging Year
=		294.9	*	2.497%	* –	314.3 256.7
=		9.0 (£m)				

Operating Expenditure (opex) In line with Tideway's licence, the Opex building block is currently zero as all costs are accounted for as capital expenditure.

Financing Cost Adjustment The Financing Cost Adjustment building block is intended to protect against movements in the market cost of debt, recognising that Tideway's Bid WACC will apply for a much longer period than the standard five year control period for a WaSC or WoC.

### The Financing Cost Adjustment for a given year is calculated as follows: Financing Cost Adjustment (t) =

(Net Debt (t-2) - Net Debt (t-3)) \* Market Cost of Debt Adjustment Factor (t) \* (1 + BWACC)\*2 \* Applicable Change in Revenue RPI (t)

			Applicable Change in Rev	enue RPI (t-2)		
where	Market Cost of Debt Adjustment Factor (t)	=	i) if the difference between the BRP and the ARP on any ARP Calculation Date is +i- 50 bps, the m ii) if the difference between the BRP and the ARP is between (+i-) 51 bps and 100 bps, the market iii) if the difference between the BRP and the ARP is orrater than +i- 100 bps, the market cost of di The Market Cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure and the market cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP is the market cost of Debt Adjustment Factor shall be expressed as a positive figure the Adjustment factor shall be expressed as a positive figure the Adjustment factor shall be expressed as a positive figure the Adjustment factor shall be expressed as a positive f	cost of debt adjustment factor will be equal to 50% of the amount by which such difference exceeds 50bps bt adjustment factor will be equal to the amount by which such difference exceeds 75 bps		
			BRP = the 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March ARP = the 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March			
			where the Financing Cost Adjustment Index Yield =	(1+ iBoxx BBB UK non-financials with 10+ year maturity)	- 1	1

where the Financing Cost Adjustment Index Yield = (1+ iBoxx BBB UK non-financials with 10+ year maturity) (1 + spot implied inflation rates for 10 year maturity published by the Bank of England)

Note that where the ratio between Net Debt and Ofwat-stated RCV (current prices) is higher than the notional debt to RCV ratio, Net Debt will be deemed to equal the notional debt to RCV ratio multiplied by the Ofwat-stated RCV in current prices.

The Financing Cost Adjustment Building Block for each Charging Year is the sum of the Financing Cost Adjustment for that Charging Year and all previous Charging Years, to reflect the build-up of the market cost of debt protocolion over time. The table below summarises the build-up of the Financing Cost Adjustment in previous Pears, and details of prory years activations are available in previous Revenue Statements (with the relevant Revenue Statements (with the relevant Revenue Statements) (with the relevant Revenue Statement Revenue Statements) (with the relevant Revenue Statement Revenue Statements) (with relevant Revenue Statements) (with revenue Statements) (wit

				Charging Year				
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Revenue Statement	2015		2016	2017	2018	2019	2020	2021
Base Reference Point	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Annual Reference Point	1.30%	1.30%	1.43%	0.35%	0.01%	0.23%	-0.47%	-0.88%
Market Cost of Debt Adjustment Factor	0.00%	0.00%	0.00%	-0.22%	-0.54%	-0.32%	-1.01%	-1.43%
Change in Net Debt	0.0	0.0	-130.4	-185.5	243.8	615.2	613.8	532.5
Adjustment agreed with Ofwat in the 2022/23 Revenue								
Statement								0.2
Financing Cost Adjustment	0.00	0.00	0.00	0.5	-1.5	-2.2	-6.7	-8.4
Financing Cost Adjustment building block (cumulative)	0.00	0.00	0.00	0.5	-1.0	-3.2	-9.9	-18.4

For the Fighth Charging Year, this building block is calculated as follows:

Financing Cost Adjustment (year 8)

= (Net Debt (year 6) - Net Debt (year 5)) \* Market Cost of Debt Adjustment Factor (year 8) \* (1 + BWACC)\*(2 \* <u>Applicable Change in Revenue RPI (year 8) +</u> Adjustment agreed with Ofwat to correct for net debt error within the regulatory accounts Applicable Change in Revenue RPI (year 6)

= (1689.5 - 1156.97) \* -1.43% \* (1+0.02497)\*2 \* <u>122</u> + 0.2

= -8.4 (£m)

Where the Market Cost of Debt Adjustment Factor (year 8) results from the difference between the BRP and the ARP:

BRP - ARP= 1.30% - -0.88%

= 2.18%, a difference of 218 basis points, which falls in the greater than 100 bps band.

This leads to a Market Cost of Debt Adjustment Factor (year 8) of the amount by which this difference exceeds 75bps, or (2.18% - 0.75%)) = -1.43% (The Market Cost of Debt Adjustment Factor shall be expressed as a positive figure where the ARP exceeds the BRP, and as a negative figure where the BRP exceeds the ARP)

### Financing Cost Adjustment building block

= Financing Cost Adjustment(year 1) + Financing Cost Adjustment(year 2) + Financing Cost Adjustment(year 3) + Financing Cost Adjustment(year 4) + Financing Cost Adjustment(year 5) + Financing Cost Adjustment(year 7) + Financing Cost Adjustment(year 6) + Financing Cost Adjustment(year 0 +0 +0 0.5 -1.5 -2.2 -6.7 = -8.4 = -18.4 (£m)

Tax In line with Tideway's licence, the tax building block is zero as Tideway is not currently required to pay corporation tax or any other income-based tax.

Revenue Adjustment The revenue adjustment building block is to reconcile for under/over recovered Allowed Revenue in previous Charging Years. Appendix 1 A7 of the licence defines it as:

R4 Yt = Allowed Revenue for Charging Year 1-2 – (the amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastructure Provider in respect of the IP Charge recovered by the Infrastru

This building block applied for the first time in the Fourth Charging Year (2018/19). There was no revenue adjustment for the Allowed Revenue in the Third Charging Year, as Thames Water only started billing Tideway's revenue in the Second Charging Year (2016/17).

The Revenue Adjustment for the Eighth Charging Year is based on recovery of revenue for the Second, Third, Fourth, Frifth and Sidt Charging Years. The Sixth Charging Years is being reconciled for the first time and the Second, Third, Fourth and Fifth Charging Years are being reconciled to remove amounts that have been reconciled previously but have subsequently been recovered from Thames Water. The table below sets out the amount in respect of the IP Charge recovered by Tideway in respect of the Sidt Charging Year at the time this Revenue Statement is being record. This is split between 2020/21 (as reported in our 2020/21 Annual Report) and the period April to September 2021 (consistent with the assumptions set out in the table at the beginning of this statement).

	£m					Payment rece	ived from Thames Water in p	riod					
	ZIII	201	16/17	20	17/18	20	18/19		2019/20	2020/21	2020/21	2021/22	Tot
Charging Year	Allowed revenue	Apr-Sep	Oct-Mar	Apr-Sep	Oct-Mar	Apr-Sep	Oct-Mar	Apr-Sep	Oct-Mar	Apr-Sep	Oct-Mar	Apr-Sep	1
2015/16	11.2	12.1	14.6	4.3	0.8	0.3	0.2						32
2016/17	22.4	12.1	14.0	4.5	0.8	0.3	0.2	0.4	-1.1	0.0	0.	3 0./	.0 52.
2017/18	28.5	n/a	n/a	9.3	12.4	2.4	0.4	0.2	2.0	0.0	1.	.3 0.1	1 28
2018/19	49.2	n/a	n/a	n/a	n/a	16.3	18.7	10.7	1.0	-0.5	1.	6 0/	.0 47.
2019/20	63.4	n/a	n/a	n/a	n/a	n/a	n/a	20.1	24.3	11	4.	5 0.6	.5 60.
2020/21	76.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15.4	35.	.1 13.6	.6 64

Reconciliation (before NPV a		respect of	Sixth Chargi	ng Year
(before NPV a	(ustment)			

= Allowed Revenue for Sixth Charging Year (- Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Sixth Charging Year (to end of September 2021)

	= 76.5 - 64.2
	= 12.3 (£m)
Reconciliation amounts in respect of Fifth Charging Year not previously included (before NPV adjustment)	= Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of the Fifth Charging Year (to end of September 2021) - Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Fifth Charging Year (to end of September 2020)
(Defore NPV adjustment)	= 60.5 - 55.5
	= 5.0 (£m)
Reconciliation amounts in respect of Fourth Charging Year not previously included (before NPV adjustment)	= Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Fourth Charging Year (to end of September 2021) - Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Fourth Charging Year (to end of September 2020)
(Defore NPV adjustment)	= 47.8 - 46.2
	= 1.6 (£m)
Reconciliation amounts in respect of Third Charging Year not previously included (before NPV adjustment)	= Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of the Third Charging Year (to end of September 2021) - Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Third Charging Year (to end of September 2020)
	= 28.1 - 26.7
	= 1.4 (£m)
Reconciliation amounts in respect of Second Charging Year not previously included (before NPV adjustment)	= Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Second Charging Year (to end of September 2021) - Amount in respect of the IP Charge recovered by the Infrastructure Provider in respect of Second Charging Year (to end of September 2020)
	= 32.1 - 31.7
	= 0.3 (£m)
As required by Appendix 1 A7 of the licence, the reconciliation amounts are subject to a net present value (NPV) adjustment,	which is set out below. The NPV adjustments are made consistent with the assumptions set out in the table at the beginning of this statement.
Reconciliation amounts in respect of Sixth Charging Year (after NPV adjustment)	= Reconciliation amounts in respect of Sidh Charging Year (before NPV adjustment) * ((1+BWACC/*2)) * Applicable Change in Revenue RPI (year 8) Applicable Change in Revenue RPI (year 6)
	= 12.3 * ((1+0.02497)*2) * <u>122</u> 113
	= 14.0 (£m)
Reconciliation amounts in respect of Fifth Charging Year not previously included (after NPV adjustment)	= Reconciliation amounts in respect of Fifth Charging Year (before NPV adjustment) * ((1+BWACC))) * Applicable Change in Revenue RPI (year 8) Applicable Change in Revenue RPI (year 7)
	= -5.0 * ((1+0.02497) <sup>2</sup> ) * <u>122</u> 114
	= -5.5 (£m)
Reconciliation amounts in respect of Fourth Charging Year not previously included (after NPV adjustment)	= Reconciliation amounts in respect of Fourth Charging Year (before NPV adjustment) * ((1+BWACC)) * Applicable Change in Revenue RPI (vear 8) Applicable Change in Revenue RPI (vear 7)
	= -1.6 * ((1+0.02497) *
	= -1.8 (£m)

(after NPV adjustment)	ing Year not previously included		<ul> <li>Reconciliation amounts in</li> </ul>	respect of Third Charging Y	ear not previously included (before		Applicable	e Change in Revenue RPI (year 8) change in Revenue RPI (year 7)					
			= -1.4				(1 + 0.02497 ) *	1.22					
Reconciliation amounts in respect of Second Cha	arraing Year not previously included		= -1.5 = Reconciliation amounts in		y Year not previously included (before	ore NPV adjustment) *	(1+BWACC) * Applicable	Change in Revenue RPI (year 8)					
(after NPV adjustment)					,		Applicable	Change in Revenue RPI (year 7)					
			= -0.3 = -0.4			×	(1 + 0.02497 ) *	<u>1.22</u> 1.14					
				(=)									
Revenue Adjustment (Eighth Charging Year) after NPV adjustment)			= Reconciliation amounts in	respect of Sixth Charging Ye	ear (after NPV adjustment) + Reco	onciliation amounts in respect of	Fifth Charging Year not previous	ly included(after NPV adjustment) + R	Reconciliation amounts in respect of Fourth	Charging Year not previously	included (after NPV adjustment) + Rec	conciliation amounts in respect of Third Ch	arging Year not previously included (after
			= 14.0		-5.5		-1.8		-1.5			-0.4	
Building Block Reconciliation Adjustm	nent (BBRA)		= 4.9	(£m)									
A reconciliation adjustment applies for the Return The reconciliation is calculated on a net present v In the 2021 Revenue Statement, the building bloc	value neutral basis, using the Bid WACC as	the discount factor. It reconciles for a	actual values realised since the	previous calculation of the A	Allowed Revenue for a particular ye	ear, and updated forecasts. In pr	actice, this means reconciling for	updated expenditure and inflation.	wheen realized for all inputs to this calculation	ion with no forecasts that was	ild require further reconciliation. The 2	015/16 2016/17 2017/18 and 2018/10 A	lowed Devenues have been fully record
in the 2021 Nevenue Statement, the building bloc				20/21 Allowed Nevende. The		ig reconciled for the final time in	una 2021 Nevenue Statement. 1		v been realised for all inputs to this calculate	on, which no rorecasts that woo		01310, 2010117, 201710 Bit 201013 A	lowed revenues have been unly records
Allowed Revenue - as calculated	for 2015 Revenue Statement			2015/16	Allowed Revenue 2016/17 22.4	2017/18	2018/19	2019/20	2020/21		2021/22		
Allowed Revenue - as calculated Allowed Revenue - as calculated	for 2016 Revenue Statement for 2017 Revenue Statement			8.7 8.1	19.8 18.6	34.0 32.9	49.5	62.5					
Allowed Revenue - as calculated Allowed Revenue - as calculated Allowed Revenue - as calculated	for 2019 Revenue Statement for 2020 Revenue Statement				18.2	31.9 31.7	48.4 47.7 47.6	62.6 62.0	74.7 74.9		80.4		
Allowed Revenue - as calculated he table above shows the Allowed Revenue for e	for 2021 Revenue Statement	h Pavanua Statement						61.6	73.5		78.5		
The Allowed Revenue figures set out above excluing block reconciliation is made on a net	de the building block reconciliation adjustm	ent (BBRA) and revenue adjustment	(RA) building blocks, which are ting for inflation using RPI, which	not subject to reconciliation thakes into account the num	(and which were zero for 2015/16 nber of years since the Allowed Re	and 2016/17 Allowed Revenue). evenue for a given year was first	calculated. This gives the follow	ing calculation:					
Building block reconciliation adjustment = (Eighth Charging Year)		(2019/20 Allowed Rev	evenue [2021 calculation] - 2019	9/20 Allowed Revenue [2020	calculation]) * ((1 + Bid WACC)^3	3) * <u>Applicable Change in Revenue</u> Applicable Change in Revenue	e <u>RPI (vear 8)</u> RPI (vear 5)	+ (2020/21 Allowe	ed Revenue [2021 calculation] - 2020/21 Al	lowed Revenue [2020 calcula	tion]) * ((1 + Bid WACC)*2) * Applicable Applicable	le Change in Revenue RPI (vear 8) Change in Revenue RPI (vear 6)	+ (2021/22 Allowed R
	=	(61.6	-	62)	* ((1 + 0.02497 )^3)*	1.22	ы г	+ (73.5	-	74.9)	* ((1 + 0.02497 )*2) *	1.22	+ (78.5
	=	-0.5	+	-1.6	÷	-2.1						1.13	
	_	-4.2	(£m)										
	=		(£m)										
The sections below set out the recalculation of the Return on Capital	e 2019/20, 2020/21 and 2021/22 Allowed	Revenue.											
Fifth Charging Year	Return on Capital = Average RCV in	Fifth Charging Year * Bid WACC * Ap	pplicable Change in Revenue RF	PI for the Fifth Charging Yea	r Sixth C	Charging Year I on Capital = Averag	e RCV in Sixth Charging Year * I	Bid WACC * Applicable Change in Rev	venue RPI for the Sixth Charging Year		Seventh Charging Year Return on Capital =	Average RCV in Seventh Chargin	g Year * Bid WACC * Applicable Change i
	=	1,757.4 *2.497%	*	284.6		=	2,261.0	*2.497%*	291.0			= 2,711.9	*2.497% *
	=	48.7 (£m)		200.7		=	64.0 (£m)		200.7			= 77.4 (£m)	
_iquidity													
Fifth Charging Year	Liquidity = (Forecast average	qe RCV in year 6 - Average RCV in yea	ear 5) * Bid WACC * Applicable (	Change in Revenue RPI for t		Charging Year Liquidity = (Forec	ast average RCV in year 7 - Aver	age RCV in year 6) * Bid WACC * App	plicable Change in Revenue RPI for the Sixt	th Charging Year	Seventh Charging Year Liquidity =	(Forecast average RCV in year 8	- Average RCV in year 7) * Bid WACC * A
Fifth Charging Year	Liquidity = (Forecast average	ge RCV in year 6 - Average RCV in yea 503.6 *2.497%	ear 5) * Bid WACC * Applicable ( *	Change in Revenue RPI for t			ast average RCV in year 7 - Aver 450.9	age RCV in year 6) * Bid WACC * App *2.497%*	plicable Change in Revenue RPI for the Sixt 291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =		- Average RCV in year 7) * Bid WACC * A *2.497% *
Fifth Charging Year			var 5) * Bid WACC * Applicable ( *	Change in Revenue RPI for t 284.6 256.7					plicable Change in Revenue RPI for the Sixt 291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =		
Fifth Charging Year Opex	=	503.6 *2.497% 13.9 (£m)	•	Change in Revenue RPI for t 284.6 256.7			450.9		olicable Change in Revenue RPI for the Sixt 291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifh Charging Year Opex In line with Tideway's licence, the Opex building b Financing Cost Adjustment	= = slock is zero as all costs are accounted for	503.6 *2.497% 13.9 (£m) as capital expenditure. Therefore, no r	• .	Change in Revenue RPI for t 284.6 256.7			450.9		slicable Change in Revenue RPI for the Skd 291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
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Fifth Charging Year Dpex In line with Tideway's licence, the Opex building b Financing Cost Adjustment The Financing Cost Adjustment does not rely on a forwer, stated if snoprden hat debt figures bac Fifth Charging Year Financing Cost Adjustment building block Sidh Charging Year Financing Cost Adjustment (year 6)	=	503.6 2.497% 1.3.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecast reconciled. (Restated Net Debt (y (-67.05 Financing Cost Adjus 0 (Restated Net Debt (y (556.63 Financing Cost Adjus 2	reconciliation is required. sts is not required. arging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.87 ) * -1.5 (Em) stment(year 1) + Financing Cost + 0 -1.0 (Em) year 4) - Restated Net Debt (year - 67.05 ) * -2.2 (Em) stment(year 1) + Financing Cost	284.6 256.7 the Fifth Charging Year) for larket Cost of Debt Adjustme 0.54% t Adjustment(year 2) + Finan + 0 ar 3)) * Market Cost of Debt / 0.32% t Adjustment(year 2) + Finan	use in the FCA, therefore a recon ant Factor (year 5) * (1 + BWACC) Applicable * (1+ 0.0 hoing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 6) * (1 + 1 Applicable * (1+ 0.0 * (1+ 0.0) * (1+ 0.0)	Liquidity = (Forec = = ciliation is required for the three + *2 * <u>Applicable Change</u> in Revenue 2 Change in Revenue RPI (year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> Change in Revenue RPI (year 4 -1.5 U2497) *2 *	450.9 12.8 (Em) Charging Years impacted. ue RPI (year 5). ) 1.11 1.03 )+ Financing Cost Adjustment(y in Revenue RPI (year 6). ) 1.13 1.07 )+ Financing Cost Adjustment(y	*2.497%* ear 5)	291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifth Charging Year  Opex In line with Tideway's licence, the Opex building b Financing Cost Adjustment the offen of the offen of	=	503.6 2.497% 1.3.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecast reconciled. (Restated Net Debt (y (-67.05 Financing Cost Adjus 0 (Restated Net Debt (y (556.63 Financing Cost Adjus 2	reconciliation is required. sts is not required. larging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.87 ) * -1.5 (Em) stment(year 1) + Financing Cost 67.05 ) * -2.2 (Em) stment(year 1) + Financing Cost + 0 + 0	284.6 256.7 the Fifth Charging Year) for larket Cost of Debt Adjustme 0.54% t Adjustment(year 2) + Finan + 0 ar 3)) * Market Cost of Debt / 0.32% t Adjustment(year 2) + Finan	use in the FCA, therefore a recon ant Factor (year 5) * (1 + BWACC) Applicable * (1+ 0.0 hoing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 6) * (1 + 1 Applicable * (1+ 0.0 * (1+ 0.0) * (1+ 0.0)	Liquidity = (Forec = = ciliation is required for the three + *2 * <u>Applicable Change</u> in Revenue 2 Change in Revenue RPI (year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> Change in Revenue RPI (year 4 -1.5 U2497) *2 *	450.9 12.8 (Em) Charging Years impacted. ue RPI (year 5). ) 1.11 1.03 )+ Financing Cost Adjustment(y in Revenue RPI (year 6). ) 1.13 1.07 )+ Financing Cost Adjustment(y	*2.497%* ear 5)	291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifth Charging Year Dipex In the with Tideway's licence, the Opex building b Financing Cost Adjustment the restated for prior year Tideway restated it's reported net debt figures bac Tideway restated it's reported net debt figures bac Tideway restated it's reported net debt figures bac Financing Cost Adjustment (year 5) Financing Cost Adjustment building block Sloth Charging Year Financing Cost Adjustment (year 6) Financing Cost Adjustment building block Some Cost Adjustment building block Some Cost Adjustment building block Financing Cost Adjustment building block Some Cost Adjustment building block Some Cost Adjustment building block Some Cost Adjustment building block Financing Cost Adjustment building block Some Cost Adjustment Both Cost Adjustment Both Both Both Both Both Both Both Bot	=	503.6 "2.497% 1.3.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecas recording 2017/18, impacting on three Chu (Restated Net Debt (y ( -67.05  Financing Cost Adjus 0  (Restated Net Debt (y ( 556.63  Financing Cost Adjus 0	reconciliation is required. ats is not required. arging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.87 ) * -1.5 (Em) stment(year 1) + Financing Cost + 0 -1.0 (Em) year 4) - Restated Net Debt (year -67.05 ) * -2.2 (Em) stment(year 1) + Financing Cost + 0 -3.3 (Em)	284.6 255.7 the Fifth Charging Year) for tarket Cost of Debt Adjustme -0.54% t Adjustment(year 2) + Finan + 0 -0.32% t Adjustment(year 2) + Finan + 0	use in the FCA, therefore a recon int Factor (year 5)* (1 + BWACC) Applicable • (1+ 0.0 noing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 6)* (1 + 1 Applicable • (1+ 0.0 • (1+ 0.0 • (1+ 0.0 • (1+ 0.0) • (1+ 1) 0.5	Liquidity = (Foreci = = = ciliation is required for the three f '2 * <u>Applicable Change in Revenue</u> S Change in Revenue RPI (year 4 22497) *2 * -1.5 BWACC)'2 * <u>Applicable Change</u> S Change in Revenue RPI (year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> S Change in Revenue RPI (year 4 -1.5	450.9 12.8 (Em) Charging Years impacted. <u>ue RPI (year 5)</u> ) <u>1.11</u> 1.03 )+ Financing Cost Adjustment(y <u>in Revenue RPI (year 6)</u> ) <u>1.13</u> 1.07 )+ Financing Cost Adjustment(y -2.2 in Revenue RPI (year 7).	*2.497%* ear 5)	291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifth Charging Year Dipex In the with Tideway's licence, the Opex building b Financing Cost Adjustment the restated for prior year Tideway restated it's reported net debt figures bac Tideway restated it's reported net debt figures bac Tideway restated it's reported net debt figures bac Financing Cost Adjustment (year 5) Financing Cost Adjustment building block Sloth Charging Year Financing Cost Adjustment (year 6) Financing Cost Adjustment building block Some Cost Adjustment building block Some Cost Adjustment building block Financing Cost Adjustment building block Some Cost Adjustment building block Some Cost Adjustment building block Some Cost Adjustment building block Financing Cost Adjustment building block Some Cost Adjustment Both Cost Adjustment Both Both Both Both Both Both Both Bot	=	503.6 "2.497% 1.3.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecas recording 2017/18, impacting on three Chu (Restated Net Debt (y ( -67.05  Financing Cost Adjus 0  (Restated Net Debt (y ( 556.63  Financing Cost Adjus 0	reconciliation is required. ats is not required. arging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.87 ) * -1.5 (Em) stment(year 1) + Financing Cost + 0 -1.0 (Em) year 4) - Restated Net Debt (year -67.05 ) * -2.2 (Em) stment(year 1) + Financing Cost + 0 -3.3 (Em)	284.6 255.7 the Fifth Charging Year) for tarket Cost of Debt Adjustme -0.54% t Adjustment(year 2) + Finan + 0 -0.32% t Adjustment(year 2) + Finan + 0	use in the FCA, therefore a recon int Factor (year 5) * (1 + BWACC) Applicable • (1+ 0.0 bring Cost Adjustment/year 3) + Fi 0.5 Adjustment Factor (year 6) * (1 + 1 Applicable • (1+ 0.0 bring Cost Adjustment/year 3) + Fi 0.5 Adjustment Factor (year 7) * (1 + 1 Applicable	Liquidity = (Forec = = ciliation is required for the three of '2 * <u>Applicable Change in Reven</u> change in Revenue RPI (year 3 22497) *2 * inancing Cost Adjustment(year 4 -1.5 BWACC)*2 * <u>Applicable Change</u> change in Revenue RPI (year 4 22497) *2 * inancing Cost Adjustment(year 4 -1.5 BWACC)*2 * <u>Applicable Change</u> BWACC)*2 * <u>Applicable Change</u>	450.9 12.8 (Em) Charging Years impacted. <u>ue RPI (year 5)</u> ) <u>1.11</u> 1.03 )+ Financing Cost Adjustment(y <u>in Revenue RPI (year 6)</u> ) <u>1.13</u> 1.07 )+ Financing Cost Adjustment(y -2.2 in Revenue RPI (year 7).	*2.497%* ear 5)	291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifth Charging Year  Dipex In line with Tideway's licence, the Opex building b Financing Cost Adjustment Toe Financing Cost Adjustment does not rely on i However, if any actuals are restated for orior war Fifth Charging Year Financing Cost Adjustment building block Side Charging Year Financing Cost Adjustment building block Side Charging Year Financing Cost Adjustment building block Seventh Charging Year	=	503.6 *2.497% 13.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecas reconciled. (Restated Net Debt (y ( -67.05	reconciliation is required. sts is not required. larging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.87 ) * -1.5 (Em) stment(year 1) + Financing Cost 67.05 ) * -2.2 (Em) stment(year 1) + Financing Cost + 0 -3.3 (Em) year 5) - Restated Net Debt (year 	284.6 256.7 the Fifth Charging Year) for tarket Cost of Debt Adjustme -0.54% t Adjustment(year 2) + Finan + 0 ar 3)) * Market Cost of Debt / -0.32% t Adjustment(year 2) + Finan + 0 ar 4)) * Market Cost of Debt /	use in the FCA, therefore a recon int Factor (year 5) * (1 + BWACC) Applicable • (1+ 0.0 bring Cost Adjustment/year 3) + Fi 0.5 Adjustment Factor (year 6) * (1 + 1 Applicable • (1+ 0.0 bring Cost Adjustment/year 3) + Fi 0.5 Adjustment Factor (year 7) * (1 + 1 Applicable	Liquidity = (Forec = = ciliation is required for the three of *2 * Applicable Change in Revenue change in Revenue RPI (year 3) 22497) *2 * inancing Cost Adjustment(year 4 -1.5 BWACC)*2 * <u>Applicable Change</u> s Change in Revenue RPI (year 4) 22497) *2 * inancing Cost Adjustment(year 4 -1.5 BWACC)*2 * <u>Applicable Change</u> s Change in Revenue RPI (year 4) -1.5	450.9 12.8 (Em) Charging Years impacted. <u>ue RPI (vear 5)</u> ) <u>1.11</u> 1.03 )+ Financing Cost Adjustment(v <u>1.13</u> 1.07 )+ Financing Cost Adjustment(v -2.2 <u>in Revenue RPI (vear 7)</u>	*2.497%* ear 5)	291.0 256.7	th Charging Year	Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifth Charging Year  Depex In line with Tideway's licence, the Opex building b Financing Cost Adjustment Toe Financing Cost Adjustment does not rely on a Tideway restated it's reported net debt figures bac Fith Charging Year Financing Cost Adjustment building block Slidh Charging Year Financing Cost Adjustment building block Slidh Charging Year Financing Cost Adjustment building block Siventh Charging Year Financing Cost Adjustment building block Seventh Charging Year Financing Cost Adjustment building block Seventh Charging Year Financing Cost Adjustment building block	=	503.6 2.497% 1.3.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecas reconciled. (Restated Net Debt (y ( -67.05  Financing Cost Adjus 0  (Restated Net Debt (y ( 556.63  in incluse Cost Adjus 0  (Restated Net Debt (y ( 1182)	reconciliation is required. sts is not required. larging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.67 ) - -1.5 (Em) stment(year 1) + Financing Cost + 0 -1.0 (Em) year 4) - Restated Net Debt (year 67.05 ) + -2.2 (Em) stment(year 1) + Financing Cost + 0 -3.3 (Em) year 5) - Restated Net Debt (year - 556.63 ) + -6.9 (Em)	284.6 255.7 the Fifth Charging Year) for larket Cost of Debt Adjustme -0.54% t Adjustment(year 2) + Finan + 0 ar 3)) * Market Cost of Debt / -0.32% t Adjustment(year 2) + Finan + 0 ar 4)) * Market Cost of Debt / -1.01%	use in the FCA, therefore a recon int Factor (year 5) * (1 + BWACC) Applicable • (1+ 0.0 ncing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 6) * (1 + 1 Applicable • (1+ 0.0 ncing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 7) * (1 + 1 Applicable • (1+ 0.0	Liquidity = (Forec = = ciliation is required for the three f '2 * <u>Applicable Change in Revenue</u> Change in Revenue RPI (year 3 22497) *2 * inancing Cost Adjustment(year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> Change in Revenue RPI (year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> Change in Revenue RPI (year 4 -1.5	450.9 12.8 (Em) 12.8 (Em) Charging Years impacted. ue RPI (year 5). )) 1.11 1.03 )+ Financing Cost Adjustment(y 1.13 1.07 )+ Financing Cost Adjustment(y -2.2 in Revenue RPI (year 7). )) 1.14 1.11	*2.497%* ear 5) ar 5) + Financing Cost Adjustment(ve	291.0 256.7		Seventh Charging Year Liquidity =	= 393.4 393,395,677	
Fifth Charging Year  Opex In line with Tideway's licence, the Opex building b  Financing Cost Adjustment to the oper building biology Financing Cost Adjustment of deer figures bac Financing Cost Adjustment puilding block Sideh Charging Year Financing Cost Adjustment building block Seventh Charging Year Financing Cost Adjustment building block Seventh Charging Year Financing Cost Adjustment puilding block	=	503.6 2.497% 1.3.9 (Em) as capital expenditure. Therefore, no r liation for actuals and updated forecas reconciled. (Restated Net Debt (y ( -67.05  Financing Cost Adjus 0  (Restated Net Debt (y ( 556.63  in incluse Cost Adjus 0  (Restated Net Debt (y ( 1182)	reconciliation is required. sts is not required. larging Years back to 2019/20 (t year 3) - Net Debt (year 2)) * M 315.67 ) - -1.5 (Em) stment(year 1) + Financing Cost + 0 -1.0 (Em) year 4) - Restated Net Debt (year 67.05 ) + -2.2 (Em) stment(year 1) + Financing Cost + 0 -3.3 (Em) year 5) - Restated Net Debt (year - 556.63 ) + -6.9 (Em)	284.6 255.7 the Fifth Charging Year) for tarket Cost of Debt Adjustme -0.54% t Adjustment(year 2) + Finan + 0 ar 3)) * Market Cost of Debt / -0.32% t Adjustment(year 2) + Finan + 0 ar 4)) * Market Cost of Debt / -1.01%	use in the FCA, therefore a recon int Factor (year 5) * (1 + BWACC) Applicable • (1+ 0.0 ncing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 6) * (1 + 1 Applicable • (1+ 0.0 ncing Cost Adjustment(year 3) + Fi 0.5 Adjustment Factor (year 7) * (1 + 1 Applicable • (1+ 0.0	Liquidity = (Forec = = ciliation is required for the three f '2 * <u>Applicable Change in Revenue</u> Change in Revenue RPI (year 3 22497) *2 * inancing Cost Adjustment(year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> inancing Cost Adjustment(year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> Change in Revenue RPI (year 4 -1.5 BWACC)'2 * <u>Applicable Change</u> Change in Revenue RPI (year 6 22497) *2 *	450.9 12.8 (Em) 12.8 (Em) Charging Years impacted. ue RPI (year 5). )) 1.11 1.03 )+ Financing Cost Adjustment(y 1.13 1.07 )+ Financing Cost Adjustment(y -2.2 in Revenue RPI (year 7). )) 1.14 1.11	*2.497%* ear 5) + Financing Cost Adjustment(ye	291.0 256.7		Seventh Charging Year Liquidity =	= 393.4 393,395,677	

(after NPV adjustment) + Reconciliation amounts in respect of Second Charging Year not previously included (after NPV adjustment)

conciled in previous years.

 
 wed Revenue [2021 calculation] - 2021/22 Allowed Revenue [2020 calculation])\*((1 + Bid WACC)\*1) \* <u>Applicable Change in Revenue RPI (vear 8)</u> Applicable Change in Revenue RPI (vear 7)

 80.4
 )
 \*((1 + 0.02497 )\*1)\*
 <u>1.22</u>

 1.14
 1.24
 1.14
 1.24

ange in Revenue RPI for the Seventh Charging Year
\_\_\_\_\_\_293.5
\_\_\_\_\_256.7

CC \* Applicable Change in Revenue RPI for the Seventh Charging Year

 283.5

 256.7

## Tax In line with Tideway's licence, the tax building block is zero as Tideway is not required to pay corporation tax or any other income-based tax.

Additional Return on Capital and Additional Liquidity These building blocks will only apply if spend exceeds the Threshold Outturn and Tideway has made an IAR Overrun Application. Therefore this building block is zero for the purposes of this calculation.

### Recalculated Allowed Revenue

Tideway Allowed Revenue (t) = Return on capital + Liquidity + Operating expenditure + Financing cost adjustment + Tax + Additional return on capital + Additional liquidity

### (excludes the building block reconciliation adjustment and revenue adjustment building blocks, which are not subject to reconciliation)

### The calculation of these building blocks is as described above. This results in the following recalculated Allowed Revenue for 2019/20, 2020/21 and 2021/22:

Tideway Allowed Revenue (Fifth Charging Year)	=	48.7	+ 13.9	+ 0	-1.0	+ 0	+ 0	+ 0
	=	61.5	(£m)					
Tideway Allowed Revenue (Sixth Charging Year)	=	64.0	+ 12.8	+ 0	-3.3	+ 0	+ 0	+ 0
	=	73.6	(£m)					
Tideway Allowed Revenue (Seventh Charging Year)	=	77.4	+ 11.2	+ 0	-10.1	+ 0	+ 0	+ 0
	=	78.5	(£m)					

Additional Return on Capital The Additional Return on Capital building block will only apply if spend exceeds the Threshold Outturn and Tideway has made an IAR Overrun Application. Therefore this building block is zero for the purposes of this calculation.

Additional Liquidity The Additional Return on Capital building block will only apply if spend exceeds the Threshold Outturn and Tideway has made an IAR Overrun Application. Therefore this building block is zero for the purposes of this calculation.

			Inp	outs 2021							Fifth	Sixth	Seventh B	Eighth N	Ninth 1	Tenth
	Unit	Source/notes	2012/13	2013/14	20	)14/15	First Charging Year 2015/16	2016/17	2017/18	Fourth Charging Year 2018/19	Charging Year 2019/20		Charging 0 Year 2021/22 2	Charging C Year Y 2022/23 2	Charging ( Year ) 2023/24 2	Charging Year 2024/25
Year starts Year ends Year t-2							01/04/2015 31/03/2016 2013/14	01/04/2016 31/03/2017 2014/15	01/04/2017 31/03/2018 2015/16	01/04/2018 31/03/2019 2016/17	01/04/2019 31/03/2020 2017/18	01/04/2020 31/03/2021 2018/19	01/04/2021 31/03/2022 2019/20	01/04/2022 31/03/2023 2020/21		01/04/2024 31/03/2025 2022/23
Year t-1 Year t Year t+1							2014/15 2015/16 2016/17	2015/16 2016/17 2017/18	2016/17 2017/18 2018/19	2017/18 2018/19 2019/20	2018/19 2019/20 2020/21	2019/20 2020/21 2021/22	2020/21 2021/22 2022/23	2021/22 2022/23 2023/24	2022/23 2023/24 2024/25	2023/24 2024/25 2025/26
Year t+2							2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1.1 2014/15 RPI Adjustment Factor Forecast RPI Adjustment Factor for the calendar year in which Charging Year commences	%	Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison of independent forecasts", HM Treasury, Aug 2021											3.2%	4.1%	3.5%	3.2%
		Required by Project Licence Appendix 1, 1.1 (i), (ii), (iii) Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison of														
Forecast RPI Adjustment Factor for the calendar year in which Charging Year ends	%	independent forecasts", HM Treasury, Aug 2021 Required by Project Licence Appendix 1, 1.1 (0, (0, (0)) Source: RPI (All lems) index, Consumer Price Inflation Tables, Table 36, 20 October 2021, Office for National										3.2%		3.5%	3.2%	3.0%
RPI, September of Charging Year RPI, March of Charging Year		Statistics. Source: RPI (All Items) index, Consumer Price Inflation Tables, Table 36, 20 October 2021, Office for National Statistics.			254.8	257.0		264.9			291.0		308.6			
Kri, walch o Citatging real		Required by Project Licence Appendix 1, 1.1 (iii)			234.0	237.	201.1	209.3	270.3	203.1	232.0	290.9				
Applicable Change in Revenue RPI		Source: RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 October 2021, Office for National Statistics. Estimated for November 2021 based on September 2021 RPI and Forecast RPI Adjustment														
RPIt (RPI for November in Charging Year Yt-1)		Factor for 2021 Required by Project Licence Appendix 1, Part A 3, 4 and 6			245.6	252	.1 259.8	259.8	265.5	5 275.8	284.6	291.0	293.5	314.3		
		Note: for both First and Second Charging years, stated RPI is for November 2015, as Allowed Revenue for both these years is being calculated together Source: Calculated from RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 October														
Year average RPI		2021 Office for National Statistics Required by Project Licence Appendix 1, Part A 3, 4 and 6 and Appendix 1, 1.1 (iv)				256.	.7 259.4	265.0	274.9	283.3	290.6	294.2		7.1%		
A.3. Return on Capital and A.4 Liquidity																
Water Services Regulation Authority Stated RCV (2014/15 Prices) at 31 March	2014/15 prices, £	Source: Ofwat publication, https://www.ofwat.gov.uk/publication/regulatory-capital-values-bazalgette-tunnel-limited- tideway-22072020/ Zero prior to licence award			0		0 148,741,346	478,533,658	962,316,426	1,490,337,315	2,024,487,477	2,497,553,061				
		Required by Project Licence Appendix 1, Part A 3														
Allowable Project Spend (actual and forecast) - as at October 2021 Annual Actual Project Spend	Outturn prices, £	Required by Project Licence Appendix 1, Part A 5					0 150,344,662	340,489,147	518,165,900	582,828,772	604,855,688	542,182,309	264,008,258			
Estimated Allowable Project Spend	Outturn prices, £	Source: "Regulation Reporting Seg 21 - updated 121021 for LC reporting" Required by Project Licence Appendix 1, Part A 3 Source: "2021 Revenue Statement - ITA Q1 2021-22 Expenditure Forecast Review - Rev 001 - Issued" for full-					0 0	0	C	0 0	C	0	0			
Forecast Allowable Project Spend	Outturn prices, £	year 2021/22, 2022/23 and 2023/24 forecasts. The 2021/22 figure is net of expenditure already realised (April to September)					0 0	0 0	c	0 0	c	0	255,671,645	451,202,055	301,882,333	
		Required by Project Licence Appendix 1, Part A 3, 4 Source: 2020/21 - Regulatory tables 5b for annual report (Regulatory costs/20-21 reporting). Agrees to reported														
Excluded Project Spend	Outturn prices, £	excluded project spend in regulatory table 5B in the 20/21 Annual Report.					64,394,743	87,615,825	108,108,556	80,287,259	66,925,849	30,837,611	11,061,492			
		Note: For information (not required for Allowed Revenue calculation), backward-looking only.														
Alliance Agreement receipts - expenditure funded by these receipts is treated as Excluded Project Spend and therefore is excluded from the Allowable spend metrics set out above	Outturn prices, £	Source: Head of Commercial, Tideway Notes: Zero prior to Licence award. Required by Project Licence Appendix 2, 1.5					0 0	0 0	c	0 0	c	0 0	0	0		
BWACC	%	Source: Project Licence, Appendix 1, 1.18 Required by Project Licence Appendix 1, Part A 3, 4, 6, 7, 8					2.497%			1						
A.5. Opex Opex forecast as at October 2021	Outturn prices, £	Note: In line with the Project Licence, zero as all expenditure treated as capex. Required by Project Licence Appendix 1, Part A 5					0	0	C	0 0	C	0	0	0		
A.6. Financing Cost Adjustment		Source: "FCA yield calculator 2020.21.xlsx"														
Financing Cost Adjustment Index Yield - 12 months trailing average at 31 March	%	Calculated with reference to iBoxx BBB data and spot implied inflation rates for 10 year maturity from Bank of England Required by Project Licence Appendix 1, Part A 6				1.30	% 1.43%	0.35%	0.01%	0.23%	-0.47%	-0.88%				
	Current prices at 2		v													
Water Services Regulation Authority Adjusted RCV (Current Prices) at 31 March	March of Charging Year	<ol> <li>Source: https://www.ofwat.gov.uk/publication/regulatory-capital-values-bazalgette-tunnel-limited-tideway-22072020</li> <li>for the current year (i.e. 2020/21). Prior year values are the value recorded in that charging year.</li> <li>Required by Project Licence Appendix 1, Part A 3</li> </ol>	-		-	-	151,310,515	502,087,458	1,043,425,953	1,655,435,722	2,307,915,724	2,889,052,612				
Net Debt at 31 March	Current prices at 3 March of Charging Year	Source: Tideway financial statements as at 31 March 2021 and republished Regulatory Accounts tables October     2021     Regulated by Project Licence Appendix 1, Part A 6	-		-	-	- 130,376,913	- 315,869,558	- 72,091,186	543,155,000	1,156,967,223	1,689,497,869				
Notional Debt to RCV ratio	%	Source: Project Licence Appendix 1, 1.42 Required by Project Licence Appendix 1, Part A 6 Source: Letter from Ofwat dated 26/10/2021				62.5	%									
Adjustment agreed with Ofwat to correct for net debt error within the accounts	£, current prices	Adjustment agreed with Ofwat to correct for identified error in prior year Net Debt used in the FCA. This is added to the Financing Cost Adjustment for Yt in the 2021 revenue statement only so that the FCA is in a position that it												218,424		
		should have been if the error had never occurred.														
A 1.4. Tax		In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax. NOTE: Only relates to BTL Tax.	-													
Tax as at October 2021	Outturn prices, £	See Project Licence Appendix 1, Part A 1.4								0	(	0	0	-		
A.7. Under/Over Recovered Revenue Adjustment - as at October 2021		See Project Licence, Appendix 1, Part A.7														
Allowed Revenue (including building block reconciliation)	£	Source: 2015, 2016, 2017, 2018, 2019 and 2020 Updated Revised Revenue Statements Source: 2021 Final Monthly Collection - Jul 2021						33,603,285	28,559,132	49,235,940	63,431,062	76,465,429	87,029,095			
Amount recovered in respect of 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 Allowed Revenue (to end of September 2021)	Outturn prices, £	Note: Captures all 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 revenue received from Thames Water prior to the end of September 2021- this is based on revenue collected by Thames Water up to and including July 2021.	,					32,063,717	28,068,726	47,817,813	60,505,439	64,155,114				
Amount recovered in respect of 2016/17, 2017/18, 2018/19 and 2019/20 Allowed Revenue (to end of Septem	t Outturn prices, £	Source: Tideway 2020 updated Revised Revenue Statement 18.12.20.xls Note: Captures all 2016/17, 2017/18, 2018/19 and 2019/20 revenue received from Thames Water prior to the end of September 2020- this is based on revenue collected by Thames Water up to and including July 2020.						31,725,932	26,717,565	6 46,217,727	55,528,169	9				
Verse of MDV education		Represents the number of years of NPV adjustment required - two years for a Charging Year being reconciled for										_				
Years of NPV adjustment		the first time, and one year to reconcile further amounts received in respect of Charging Years already reconciled. See "Statement of Calculation 2021"							1	1	1	2				
Amounts received from TWUL in Charging Year (all years of Allowed Revenue)	Outturn prices, £	Source: "Final monthly collection statement – Jun-21.xlsx" and Tideway bank records 2. Note: Captures all 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 revenue received from Thames Water prior to the end of March 2021						26,747,386	26,791,391	38,387,688	57,610,001	68,887,910				
A.8. Reconciliation adjustment		See Project Licence, Appendix 1, Part A 8														
A.8. Reconciliation adjustment Time since original calculation	Years	Represents the number of years since revenue was first calculated to feed into the NPV adjustment of the reconcillation adjustment.					6	6	5	4	3	2	1	0		
Reconcile this year?		Revenue for a given Charging Year is subject to building block reconciliation adjustment where estimated or forecast expenditure or inflation inputs were used the last time that year's revenue was calculated. Defined as follows: 1 = yes, 0 = no					0	0 0	c	0 0	1	1	1	0		
Allowed Revenue as per most recently submitted Revenue Statement (excluding building block reconciliation and underlang concerned research and unternet).	£	Source: Calculated from "Tideway 2020 updated revised Revenue Statement submission 18 12 2020 FINAL BBRA". 2021/22 charging year calculated by deducting Allowed Revenue less Under/over recovered revenue									61,978,697	74,919,422	80,423,967			
and under/over recovered revenue adjustment)		building block less BBRA. 2020/21 and 2019/20 taken from last years revenue statement tabs "BBRA Calculation 2019" and "BBRA Calculation 2018"														
A.11. Additional Return on Capital Building Block		Not applicable at present. Inputs to be added if this building block becomes relevant (i.e. if Tideway makes an IAR														
Additional Allowable Project Spend		Not applicable at present. Inputs to be added if this building block becomes relevant (i.e. if i deway makes an IAR Overrum Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11														



	2021

			Calculation 2021								
Building Block	Unit	Notes/description	2013/14 2014/15	First Charging S Year Y	econd Charging Th ear	hird Charging Year Cl	ourth Fif narging Year Ch		Sixth Charging Year	Charging	Eighth Charging Year
Year starts				2015/16 01/04/2015 31/03/2016	2016/17 01/04/2016 31/03/2017	2017/18 01/04/2017 31/03/2018	2018/19 01/04/2018 31/03/2019	2019/20 01/04/2019 31/03/2020	2020/21 01/04/2020 01/04/2021		2022/23 01/04/20 31/03/20
Year ends Year 1-1 Year 1-1				2013/14 2014/15 2015/16	2014/15 2015/16 2016/17	2015/16 2016/17 2017/18	2016/17 2017/18 2018/19	2017/18 2018/19 2019/20	01/04/2021 2018/19 2019/20 2020/21	31/03/2022 2019/20 2020/21 2021/22	31/03/21 2020/2 2021/2 2022/2
rear t Gear t+2				2015/16 2016/17 2017/18	2018/17 2017/18 2018/19	2017/18 2018/19 2019/20	2018/19 2019/20 2020/21	2019/20 2020/21 2021/22	2020/21 2021/22 2022/23	2021/22 2022/23 2023/24	2022/. 2023/2 2024/2
1.1 2014/15 RPI Adjustment Factor (a) for the purposes of calculating Forecast Allowable Project Spend for Charging Year Y		A factor calculated for each Charging Year to express costs associated with that year in a 2014/15 price base. See Project Licence, Appendix 1, 1, 1 Joart Spang for the said Charging Yace shall be definited from a price base in Char	ming Year Vi+1 to the Bace PDI Index year (I	2014/151) using an adju	stment factor derived from (	multiplying the factors set o	rt in (i) (ii) (iii) and (iv)	helow			
(i) of the participated of standarding of onceased retermined on topics of participated on the participated of the calendar year in which Changing Year Yh1 commences forecast RPI Adjustment Factor for the calendar year in which Changing Year Yh1 ends forecast RPI Adjustment Factor for the calendar year in which Changing Year Yh1 ends forecast RPI Adjustment Factor for the calendar year in which Changing Year Yh1 ends forecast RPI Adjustment Factor for the calendar year in which Changing Year Yh1 ends	% %	Porcess RPI - see input sheet for description of source Forecast RPI - see input sheet for description of source Forecast RPI - see input sheet for description of source Forecast RPI - see input sheet for description of source	ging four rest to the base for mook your (	to i 4, roj), abilg an aoja.			a in (i), (ii), (ii) und (ii)				
Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the eriod April to September in the calendar year in which Charging Year YI-1 commenced	%	Calculated with reference to the index values for March and September to capture April to September inflation (see detailed modelling assumptions in "Statement of calculation 2021") Forecast RPI - see input sheet for description of source								l	
Grecast RPI Adjustment Factor for the calendar year in which Charging Year YN-1 commenced Grecast RPI Adjustment Factor for the calendar year in which Charging Year YN-1 ends Base RPI	%	Forecast RPI - see input sheet for description of source Year average RPI for 2014/15, used as base year RPI									
Charging Year Yh-2, or where this is on or before Base RPI Index year, 2014/15 1.1 (i) 1.1 (ii) 1.1 (iii)		Year average RPI for Charging year T-2 (or 2014/15 where this is later) Factor used to adjust prices from Charging Year T-1 to Charging Year T Factor used to adjust prices from Charging Year T to Charging Year T-2 Factor used to adjust prices from Charging Year T-1 to Charging Year T-2									
.1 (iv) RPIAdjustment Factor Charging Year T+1		Factor used to adjust prices from Charging Year T-2 to Base RPI Index year Combines factors (i), (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T+1 to 2014/15 price base.									
RPIAdjustment Factor Charging Year T		Combines factors (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T to 2014/15 price base.									
RPI Adjustment Factor Charging Year T-1 RPI Adjustment Factor Charging Year T-2		Combines factors (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T-1 to 2014/15 price base. Equal to factor (iv) above - used to adjust prices from Charging Year T-2 to 2014/15 price base.									
Applicable Change in Revenue RPI API PRbase (Base RPI Index)		RPI in November of previous Charging Year relative to 2014/15 base year RPI in November of Charging Year T-1 Average RPI for 2014/15	0.96 0.98 245.6 252.1 256.7 256.7	1.01 259.8 256.7	1.01 259.8 256.7	1.03 265.5 256.7	1.07 275.8 256.7	1.11 284.6 256.7	1.13 291. 256.	1.14 0 293.5 7 256.7	1.2
A.1. Allowed Revenue	6	Total Allowed Revenue calculated as the total of the building blocks below, in accordance with Project Licence, Appendix 1, 1.4. See Statement of calculation 2020 for further detail.									86
A.3. Return on Capital	£	The Return on Capital building block allows the IP to earn a return on capital in relation to the forecast average RCV in the Charging Year in question. See Project Licence, Appendix 1, Part A 3								I	94
Dfwat Stated RCV for Yh-2		RCV at the end of Charging Year T-2 as published by Ofwat by 1 September following the and of the Charging Year T-2. Opening RCV for Charging Year T-1.								I	2,497,
DFRC/Vr-1 014/15 RPLAdjustment Factor Yt-1 wmai Actual Project Spend Yt-1 Silmmade Allowable Project Spend Yt-1 recensal Allowable Project Spend Yt-1	£, 2014/15 prices £, 2014/15 prices £, 2014/15 prices	Scalar to adjust forecast costs for Charging Year T-1 to 2014/15 price base Allowable Project Spend (verified by the ITA) incurred in Charging Year T-1 Allowable Project Spend (not verified by the ITA) incurred in Charging Year T-1 Allowable Project Spend forecast to be incurred in Charging Year T-1									211
DPRCV Y1 2014/15 RPI Adjustment Factor Y1 Annual Actual Project Spend Y1	£, 2014/15 prices	Opening RCV for Charging Year T - the sum of opening RCV for Charging year T-1 and all Allowable Project Spend in that year Sealar to adjust processi costs for Charging Year T to 2014/15 price base Allowable Project Spend (verified by the ITA) incurred in Charging Year T									2,926
Sitimated Allowable Project Spend Yi orecast Allowable Project Spend Yi PRCV Yi	£, 2014/15 prices £, 2014/15 prices	Allowabbe Project Spend (not verified by the TrA) incurred in Charging Year T Allowable Project Spend forecast to be incurred in Charging Year T Closing RCV for Charging Year T - the sum of opening RCV for Charging Year T and all Allowable Project Spend in that year									35
ARCV YI		Year average RCV for Charging Year T The Liquidity building block allows the IP a liquidity allowance (return on capital) in relation									3,10
L4. Liquidity	£	to the incremental average RCV in the year following the Charging Year in question. See Project Licence, Appendix 1, Part A 4 Opening RCV for Charging Year T+1									3,28
014/15 RPI Adjustment Factor Yt+1 orecast Allowable Project Spend for year t+1 PRCV Yt+1	£, 2014/15 prices £, 2014/15 prices	Scalar to adjust forecast costs for Charging Year T+1 to 2014/15 price base Allowable Project Spend forecast to be incurred in Charging Year T+1 Closing RCV for Charging Year T+1									23
VARCV YH1		Average RCV for Charging Year T+1 In line with the Project Licence, the Opex building block is zero as all costs are accounted for as capital expenditure. See Project Licence, Appendix 1, Part A S									3,40
<ol> <li>Financing Cost Adjustment building block</li> </ol>		for as capital expenditure. See Project Licence, Appendix 1, Part A 5 The Financing Cost Adjustment building block is intended to protect against movements in the marinet cost of debt, by comparing a measure of financing costs at an annual reference point to a base reference point of March 2015. See Project Licence, Appendix 1, Part A 6				0	461,614	-1,016,891	-3,201,09	-9,948,780	
inancing Cost Adjustment Yt		punt lo a base relevance punt or march 2013. See Projeci Licence, Appendix I, Part A o	I	0	0	0	461,614	-1,478,505	-2,184,20	-6,747,688	
inancing Cost Adjustment Index Yield	%	See Project Licence Appendix 1, Part A 6.3	1.30%	1.43%	0.35%	0.01%	0.23%	-0.47%	-0.881		
lase Reference Point (BRP) vnrual Reference Point (ARP)	94	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015 The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at		1.30%	1.30%	1.30%	1.30%	1.30%			
RP-ABP farket Cost of Debt Adjustment Factor (absolute) farket Cost of Debt Adjustment Factor (corrected sign)	% %	31 March of Charging Year Yi-2 Difference between BR* and ARP See Project Licence Appendix 1 Part A 6.7 See Project Licence Appendix 1 Part A 6.7		0.00%	0.00%	-0.13% 0.00% 0.00%	0.95% 0.22% -0.22%	1.29% 0.54% -0.54%		% 1.76% % 1.01%	
Change in net debt		Calculation of Net debt at end of Charging year T-2 less Net debt at end of Charging year		0	0	-130,376,913	-185,492,645	243,778,372			53
Net Debt in Charging Year YI-2	£, current prices (March of Charging Year T-2)	T-3, subject to the notional gearing cap defined in Project Licence Appendix 1 Part A 6.9 Net Debt at the end of Charging Year T-2 as defined in Project Licence Appendix 1, 1.41		0	0	-130,376,913	-315,869,558	-72,091,186			
Nater Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-2 Notional Debt to RCV Ratio	£, current prices (March of Charoing Year T-2) %	RCV at the end of Charging Year T-2 in then current prices As defined in Project Licence Appendix 1, 1.42		0 62.5%	0 62.5%	151,310,515 62.5%	502,087,458 62.5%	1,043,425,953 62.5%	1,655,435,72 62.51		2,88
Notional Net Debt in Charging Year YI-2		RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.9		0	0	94,569,072	313,804,661	652,141,221			1,805
let Debt in Charging Year Yh-3 Yater Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-3 Iotionali Debt to RCV Ratio	£, current prices (March of Charging Year T-3) %	Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix 1, 1.41 RCV at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix 1, 1.42		0 0 62.5%	0 0 62.5%	0 0 62.5%	-130,376,913 151,310,515 62.5%	-315,869,558 502,087,458 62.5%		1,655,435,722	
lotional Net Debt in Charging Year YI-3 pplicable Change in Revenue RPI for Charging Year YI		RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.9		0	0	1.03	94,569,072	313,604,661	652,141,22 1.1	3 1.14	1,44
upplicable Change in Revenue RPI for Charging Year Yh-2 djustment agreed with Ofwat to correct for net debt error within the regulatory accounts	£ current prices	Adjustment agreed with Ofwat to correct for identified error in prior year Net Debt used in the FCA. This is added to the Financing Cost Adjustment for Y1 in the 2021 revenue statement only so that the FCA is in a position that if should have been if the error had		0.96	0.98	1.01	1.01	1.03	1.0	7 1.11	
1.1.4. Tax	£	satement only so that the PCA is in a position that it should have been in the error had need occurred. In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax. See Project Licence Apaendix 1, Part A 1.4									
3.7. Under/Over Recovered Revenue Adjustment	3	The revenue adjustment building block is to reconcile for under/over recovered Allowed Revenue in previous Charging Years. See Project Licence, Appendix 1, Part A.7		_							
llowed Revenue mount recovered in respect of Allowed Revenue (to end of September 2021)		Allowed Revenue as submitted in 2015, 2016, 2017, 2018, 2019 and 2020 updated revised Revenue Statement Anount collected by Thames Water and received by Tideway in respect of 2016/17, 2017/18, 2018/19, 2018/20 and 2020/21 Allowed Revenue, prior to the end of September 2021.			33,603,285 32,063,717	28,559,132 28,068,726	49,235,940 47,817,813	63,431,062 60,505,439			
mount recovered in respect of Allowed Revenue (to end of September 2020)	c	zucr. Amount collected by Thames Water and received by Tideway in respect of 2016/17, 2017/18, 2018/19 and 2019/20 Allowed Revenue, prior to the end of September 2020.			31,725,932	26,717,565	46,217,727	55, 528, 169		-	
pplicable Change in Revenue RPI ears of NPV adjustment		RPI in November of previous Charging Year relative to 2014/15 base year Represents the number of years of NPV adjustment required - two years for a Charging Year being reconciled for the first time, and one year to reconcile further amounts received			1.01	1.03	1.07	1.11	1.1	2 1.14	
mounts in respect of prior Charging Years not yet reconciled (unadjusted)		in respect of Charging Years already reconciled. See "Statement of Calculation 2021" Further amounts received in respect of Charging Years that have already been reconciled.			337,785	1,351,161	1,600,085	4,977,270	]		
Reconciliation amounts - Charging Year T-2 (unadjusted)		Difference between Allowed Revenue for a Charging Year and the amount collected by Thames Water and received by Tideway in respect of that Allowed Revenue. Reconciliation amount as calculated above. NPV-adjusted for the delay between the							12,310,31	•	
Reconciliation amounts (NPV-adjusted)		original Charging Year and the year of reconciliation using the BWACC and Applicable Change in Revenue RPI.			370,756 -	1,483,046 -	1,756,267 -	5,463,094	13,968,271	f	
A.8. Reconciliation adjustment	-	Reconciliation for updated expenditure and inflation data to reflect realised actuals and updated forecasts. See Project Licence, Appendix 1, Part A 8 Revenue for a given Charging Year is subject to building block reconciliation adjustment									
leconcile this year?	n/a	where estimated or forecast expenditure or inflation inputs were used the last time that year's revenue was calculated. Defined as follows: 1 = yes, 0 = no Represents the number of years since revenue was first calculated to feed into the NPV						1		1 1 2 1	
illowed Revenue (as at October 2021)	£	adjustment of the reconciliation adjustment. Allowed Revenue reacticulated using updated expenditure and inflation data. Excludes the under/over recovered revenue adjustment and the reconciliation adjustment building blocks, as these building blocks are not subject for neconciliation. See BBRA Calculation						61,554,558			
Nowed Revenue (as at October 2020)		2018, BBRA Calculation 2019 and BBRA Calculation 2020. Allowed Revenue as submitted in 2020 updated revised Revenue Statement. Excludes the under/over recovered revenue adjustment and the reconcillation adjustment building bbock, as these building blocks are not subject for concillation.						61,978,697			
opplicable Change in Revenue RPI (year in which original calculation was made) oplicable Change in Revenue RPI (current year) Reconciliation amounts (unadjusted)		Adjustment calculated as difference between undated calculation and previous year's						-424,139	1		
Reconciliation amounts (NPV-adjusted)	-	calculation, prior to NPV adjustment. Adjustment calculated as difference between updated calculation and previous year's calculation, post NPV-adjustment using BWACC and Applicable Change in Revenue RPI.						-504,373			
L11. Additional Return on Capital Building Block		Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11									
11. Additional Liquidity Building Block	6	Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11									

### BBRA Inputs 2020

			В	BRA Inputs 20	020											
	Unit	Source/notes	2012/13	2013/14	2014/15	First Cl Year 2015/16		charging year	Charging Year	Fourth Charging Year	Charging Year	Sixth Charging Year 2020/21	Seventh Charging Year 2021/22	Eighth Charging Year 2022/23	Ninth Charging Year 2023/24	Tenth Charging Year 2024/25
Year starts Year ends	•				201.010	0	1/04/2015 1/03/2016	01/04/2016 31/03/2017	01/04/2017 31/03/2018	01/04/2018 31/03/2019	01/04/2019 31/03/2020	01/04/2020 31/03/2021	01/04/2021 31/03/2022	01/04/2022 31/03/2023	01/04/2023 31/03/2024	01/04/2024 31/03/2025
Year t-2 Year t-1						:	2013/14 2014/15	2014/15 2015/16	2015/16 2016/17	2016/17 2017/18	2017/18 2018/19	2018/19 2019/20	2019/20 2020/21	2020/21 2021/22	2021/22 2022/23	2022/23 2023/24
Year t Year t+1						:	2015/16 2016/17	2016/17 2017/18	2017/18 2018/19	2018/19 2019/20	2019/20 2020/21	2020/21 2021/22	2021/22 2022/23	2022/23 2023/24	2023/24 2024/25	2024/25 2025/26
Year t+2						:	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1.1 2014/15 RPI Adjustment Factor Forecast RPI Adjustment Factor for the calendar year in which Charging Year commences	%	UPDATED FOR RECONCILIATION Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison of independent forecasts", HM Treasury, August 2021											3.2%	4.1	× 2	5% 3.2%
		Required by Project Licence Appendix 1, 1.1 (i), (ii), (iii) UPDATED FOR RECONCILIATION Source: Average independent new forecasts for RPI, Table M3, "Forecasts									1					
Forecast RPI Adjustment Factor for the calendar year in which Charging Year ends	%	for the UK economy: a comparison of independent forecasts", HM Treasury, August 2021 Required by Project Licence Appendix 1, 1.1 (), (ii), (iii) UPDATED FOR RECONCILIATION Source: RPI (All Items) index, Consumer Price Inflation Reference Tables,										3.2%	4.1%	3.5	% 3.	3.0%
RPI, September of Charging Year		Table 36, 20 October 2021, Office for National Statistics. Required by Project Licence Appendix 1, 1.1 (iii)				257.6	259.6	264.9	275.1	284.1	291.0	294.3	308.6			
RPI, March of Charging Year		UPDATED FOR RECONCILIATION Source: Source: RPI (All Items) index, Consumer Price Inflation Tables, Tab 36, 20 October 2021, Office for National Statistics. Required by Project Licence Appendix 1, 1.1 (iii)	le	25	54.8	257.1	261.1	269.3	278.3	285.1	292.6	296.9				
Applicable Change in Revenue RPI														1		
RPIt (RPI for November in Charging Year Yt-1)		Source: RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 October 2021, Office for National Statistics. Note: for both First and Second Charging years, stated RPI is for November 2015, as Allowed Revenue for both these years is being calculated together		24	45.6	252.1	259.8	259.8	265.5	275.8	284.6	291.0	293.5			
Year average RPI		urese years is being cauculated ugenter UPDATED FOR RECONCILIATION Source: Calculated from RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 October 2021 Office for National Statistics Required by Project Licence Appendix, 1, Part A, 3, 4 and 6 and Appendix, 1, 1.1 (iv)				256.7	259.4	265.0	274.9	283.3	290.6	294.2		1		
A.3. Return on Capital and A.4 Liquidity		requires sy i report assence reportanti (, sarres, rano e and reportanti (, r.) (n)											1			
A.S. Return on Capital and A.4 Elquiony		Source: "Copy-of-RCV-Bazalgette-2020-publ.xlsx", https://www.ofwat.gov.uk/publication/regulatory-capital-values	Þ													
Water Services Regulation Authority Stated RCV (2014/15 Prices) at 31 March	2014/15 prices, £	handratte turned limited tideway 2/			-	-	148,741,346	478,533,658	962,316,426	1,490,337,315	2,024,487,477					
Allowable Project Spend (actual and forecast) - as at October 2021		UPDATED FOR RECONCILIATION Source: "Allowable Project Spend Verification No. 52", Mott MacDonald:												1		
Annual Actual Project Spend	Outturn prices, £	Thames Tideway ITA Required by Project Licence Appendix 1, Part A 3				-	150,344,662	340,489,147	518,165,900	582,828,772	604,855,688	542,182,309	264,008,258			
Estimated Allowable Project Spend	Outturn prices, £	UPDATED FOR RECONCILIATION Source: "Regulation Reporting Sep 21 - updated 121021 for LC reporting" Required by Project Licence Appendix 1, Part A3 UPDATED FOR RECONCILIATION Source: "2021 Revenue Statement - ITA Q1 2021-22 Expenditure Forecast				-	-	-	-	-	-	-	-			
Forecast Allowable Project Spend	Outturn prices, £	Or DWLDF (VTNLDF) restricted from source and the second se				-	-	-	-	-	-	-	255,671,645	451,202,055	5	
Excluded Project Spend	Outturn prices, $\mathbf{\hat{t}}$	Data removed as not required for reconciliation purposes. See "Inputs 2021".														
Alliance Agreement receipts - expenditure funded by these receipts is treated as Excluded Project Spend and therefore is excluded from the Allowable spend metrics set out above	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021".														
BWACC	%	Source: Project Licence, Appendix 1, 1.18 Required by Project Licence Appendix 1, Part A 3, 4, 6, 7, 8					2.497%									
A.5. Opex		Note: In line with the Project Licence, zero as all expenditure treated as capex.												1		
Opex forecast as at October 2021	Outturn prices, £	nuce, in line mult ure Project Licence, zero as an experiancine treateu as capes. Required by Project Licence Appendix 1, Part A 5					-	-	-	-	-	-	-			
A.6. Financing Cost Adjustment																
Financing Cost Adjustment Index Yield - 12 months trailing average at 31 March	%	Source: "FCA yield calculator.xls." Calculated with reference to iBoxx BBB data from Lloyds Bank and spot implied inflation rates for 10 year maturity from Bank of England Required by Project Licence Appendix 1, Part A 6	Ŷ			1.3%	1.4%	0.4%	0.0%	0.2%	-0.5%					
Water Services Regulation Authority Adjusted RCV (Current Prices) at 31 March	Current prices at 3 March of Charging Year	bazaigette-tunnel-limited-tideway-2/ Zero prior to licence award	-	-	-		151,310,515	502,087,458	1,043,425,953	1,655,435,722	2,307,915,724					
Net Debt at 31 March	Current prices at 3 March of Charging	Required by Project Licence Appendix 1, Part A 3 <sup>1</sup> Source: Prior year Tideway financial statements and Net debt revised.xlsx Required by Project Licence Appendix 1, Part A 6			-		130,376,913	315,869,558 -	67,048,664	556,634,438	1,181,999,087					
Notional Debt to RCV ratio	Year %	Required by Project Licence Appendix 1, Part A 6 Source: Project Licence Appendix 1, 1.42 Required by Project Licence Appendix 1, Part A 6				62.5%										
		Required by Friget Elvarice Appendix 1, Part A 0														
A 1.4. Tax Tax as at October 2021	Outturn prices, £	In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax.					_	_	_	_	-					
	outum prisoo, 2	See Project Licence Appendix 1, Part A 1.4														
A.7. Under/Over Recovered Revenue Adjustment - as at October 2021		See Project Licence, Appendix 1, Part A.7														
Allowed Revenue Amount recovered in respect of 2016/17, 2017/18 and 2018/19 Allowed Revenue (to end of Septen	£	Data removed as not required for reconciliation purposes. See "Inputs 2021".														
2019) Amount recovered in respect of Allowed Revenue (to end of September 2018)	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021".														
Years of NPV adjustment		Data removed as not required for reconciliation purposes. See "Inputs 2021".														
Amounts received from TWUL in Charging Year (all years of Allowed Revenue)	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021".														
A.8. Reconciliation adjustment		See Project Licence, Appendix 1, Part A 8														
Time since original calculation Reconcile this year? Allowed Revenue as per most recently submitted Revenue Statement (excluding building block reconciliation and under/over recovered revenue adjustment)	Years	Data removed as not required for reconciliation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021".														
A.11. Additional Return on Capital Building Block		Not applicable at present. Inputs to be added if this building block becomes relevant (i.e. if Tideway makes an IA	R													
Additional Allowable Project Spend		Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11														
A 1.6.4. Net Present Value Adjustment End of first charging year		Last day of the First Charging Year					31/03/2016									
Licence Award		Date of Licence award					24/08/2015									

BBRA Calculation 2020

		BBRA Calcu								
Building Block	Unit	Notes/description	2013/14 2014/15		Second Charging	Third Charging Year	Fourth	Fifth	Sixth	Seventh Charging
				Year 2015/16	2016/17	2017/18	Charging Year 2018/19	Charging Year 2019/20	Charging Year 2020/21	Year 2021/22
Year starts Year ends				01/04/2015 31/03/2016	01/04/2016 31/03/2017	01/04/2017 31/03/2018	01/04/2018 31/03/2019	01/04/2019 31/03/2020	01/04/2020 01/04/2021	01/04/2021 31/03/2022
Year t-2 Year t-1				2013/14 2014/15	2014/15 2015/16	2015/16 2016/17	2016/17 2017/18	2017/18 2018/19	2018/19 2019/20	2019/20 2020/21
Yeart Yeart+1 Yeart+2				2015/16 2016/17 2017/18	2016/17 2017/18 2018/19	2017/18 2018/19 2019/20	2018/19 2019/20 2020/21	2019/20 2020/21 2021/22	2020/21 2021/22 2022/23	2021/22 2022/23 2023/24
1.1 2014/15 RPI Adjustment Factor		A factor calculated for each Charging Year to express costs associated with that year								
(a) for the purposes of calculating Forecast Allowable Project Spend for Charging Year Yt Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+1 commences	+1, estimated Allowable Pr %	In a 2014/15 price base. See Project Licence, Appendix 1, 1.1 roject Spend for the said Charging Year shall be deflated from a price base in Charging Year Yt+1 to Forecast RPI - see input sheet for description of source	the Base RPI Index year ([	2014/15]), using an adj	justment factor derived f	rom multiplying the factors se	t out in (i), (ii), (iii) and	l (iv) below;		4.1%
Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+1 ends Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt commences Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt ends	96 96 96	Forecast RPI - see input sheet for description of source Forecast RPI - see input sheet for description of source Forecast RPI - see input sheet for description of source								3.5% 3.2% 4.1%
Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the	%	NOT USED FOR RECONCILIATION Calculated with reference to the index values for								
period April to September in the calendar year in which Charging Year Yt-1 commenced	76	March and September to capture April to September inflation (see detailed modelling assumptions in "Statement of calculation 2020") NEW ROW ADDED FOR RECONCILLATION Calculated with reference to the index								
Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the period April to September in the calendar year in which Charging Year Yt commenced	%	values for March and September to capture April to September inflation (see "Statement of Calculation 2020")								3.9%
Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt-1 commenced	97	NOT USED FOR RECONCILIATION Forecast RPI - see input sheet for description of source								
Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt-1 commenced Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt-1 ends	%	NOT USED FOR RECONCLUMION rolecast RPI - see input sheet for description of source NOT USED FOR RECONCILIATION Forecast RPI - see input sheet for description of source								
Base RPI Charging Year Yt-2, or where this is on or before Base RPI Index year, 2014/15		Year average RPI for 2014/15, used as base year RPI Year average RPI for Charging year T-2 (or 2014/15 where this is later)								256.7 290.6
Charging Year Yt-1 1.1 (i)		NEW ROW ADDED FOR RECONCILIATION Year average RPI for Charging Year t-1 Factor used to adjust prices from Charging Year T+1 to Charging Year T								294.2
1.1 (ii) 1.1 (iii)		CALCULATION ALTERED FOR RECONCILIATION Factor used to adjust prices from Charging Year T to Charg CALCULATION ALTERED FOR RECONCILIATION Factor used to adjust prices from Charging Year T-1 to Cha	ing Year T-1 rging Year T-2							1.06 1.01
1.1 (iv)		Factor used to adjust prices from Charging Year T-2 to Base RPI Index year								1.13
RPI Adjustment Factor Charging Year T+1		Combines factors (i), (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T+1 to 2014/15 price base.								1.26
RPI Adjustment Factor Charging Year T		Combines factors (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T to 2014/15 price base.								1.21
RPI Adjustment Factor Charoino Year T-1		Combines factors (iii) and (iv) above to calculate factor used to adjust prices from								1.15
RPI Adjustment Factor Charging Year T-2		Charging Year 7-1 to 2014/15 price base. Equal to factor (iv) above - used to adjust prices from Charging Year T-2 to 2014/15 price base.								1.13
Applicable Change in Revenue RPI		: RPI in November of previous Charging Year relative to 2014/15 base year	0.96 0.98	1.01	1.01	1.03	1.07	1.11	1.13	1.14
RPit RPit RPibase (Base RPI Index)		RPI in November of Charging Year T-1 Average RPI for 2014/15	0.36         0.38           245.6         252.1           256.7         256.7	259.8 256.7	259. 256.	8 265.5 7 256.7	275.8 256.7	28	34.6	291.0 293.5 256.7 256.7
A.1. Allowed Revenue	£	Total Allowed Revenue calculated as the total of the building blocks below, in accordance with Project Licence, Appendix 1, 1.4. See Statement of calculation 2020								78,530,583
		feedbrand with Fright abundle, opportant F, F. Gee Galantine of calculation 2020 for further detail. The Return on Capital building block allows the IP to earn a return on capital in relation								
A.3. Return on Capital	£	The Return on Capital building block allows the IP to earn a return on capital in relation to the forecast average RCV in the Charging Year in question. See Project Licence, Appendix 1, Part A 3								77,434,127
Ofwat Stated RCV for Yt-2	£, 2014/15 prices	RCV at the end of Charging Year T-2 as published by Ofwat by 1 September following								2,024,487,477
Ofwat Stated RCV for YI-2 OPRCV YI-1	£, 2014/15 prices £, 2014/15 prices	the end of the Charging Year Opening RCV for Charging Year T-1.								2,024,487,477
OPPRCV 11-1 2014/15 RPI Adjustment Factor Yt-1 Annual Actual Project Spend Yt-1 Estimated Allowabe Project Spend Yt-1		Coening RCV for Jnarang Year 1-1. Scalar to adjust forecast costs for Charging Year T-1 to 2014/15 price base Allowable Project Spend (verified by the ITA) incurred in Charging Year T-1 Allowable Project Spend (not verified by the ITA) incurred in Charging Year T-1								2,024,487,477 1.15 473,065,584
Estimated Autowable Project Spend 11-1 Forecast Allowable Project Spend YI-1 OPRCV YI	£, 2014/15 prices £, 2014/15 prices £, 2014/15 prices	Allowable Project Spend forecast to be incurred in Charging Year T-1 Opening RCV for Charging Year T - the sum of opening RCV for Charging year T-1 and								0 2,497,553,061
2014/15 RPI Adjustment Factor Yt Annual Actual Project Spend Yt		ail Allowable Project Spend in that year Scalar to adjust forecast costs for Charging Year T to 2014/15 price base Allowable Project Spend (verified by the ITA) incurred in Charging Year T								<u>1.21</u> 217,795,343
Estimated Allowable Project Spend Yt Forecast Allowable Project Spend Yt	£, 2014/15 prices £, 2014/15 prices	Allowable Project Spend (not verified by the ITA) incurred in Charging Year T Allowable Project Spend forecast to be incurred in Charging Year T								0 210,917,999
CPRCV YI	£, 2014/15 prices	Closing RCV for Charging Year T - the sum of opening RCV for Charging Year T and all Allowable Project Spend in that year								2,926,266,403
YARCV YI	£, 2014/15 prices	Year average RCV for Charging Year T								2,711,909,732
A.4. Liquidity	£	The Liquidity building block allows the IP a liquidity allowance (return on capital) in relation to the incremental average RCV in the year following the Charging Year in evention. Example, if the second association is the second s								11,232,767
OPRCV Yt+1	£, 2014/15 prices	question. See Project Licence, Appendix 1, Part A 4 Opening RCV for Charging Year T+1								2,926,266,403
2014/15 RPI Adjustment Factor Yt+1 Annual Actual Project Spend Yt+1 Estimated Allowable Project Spend Yt+1	£, 2014/15 prices £, 2014/15 prices	Scalar to adjust forecast costs for Charging Year T+1 to 2014/15 price base NEW ROW ADDED FOR RECONCILIATION Allowable Project Spend (verified by the ITA) incurred in Charging NEW ROW ADDED FOR RECONCILIATION Allowable Project Spend (not verified by the ITA) incurred in Charg	Year T+1							1.26 0
Forecast Allowable Project Spend for year t+1 CPRCV Yt+1	£, 2014/15 prices £, 2014/15 prices	Allowable Project Spend forecast to be incurred in Charging Year T+1 Closing RCV for Charging Year T+1								<u>358,078,011</u> 3,284,344,415
FYARCV Yt+1	£, 2014/15 prices	Average RCV for Charging Year T+1								3,105,305,409
A.5. Opex		In line with the Project Licence, the Opex building block is zero as all costs are accounted for as capital expenditure. See Project Licence, Appendix 1, Part A 5								0
		The Financing Cost Adjustment building block is intended to protect against movements in the market cost of debt. by comparing a measure of financing costs at								
A.6. Financing Cost Adjustment building block		novements in the market lost of veloc, by comparing a measure of marking costs at an annual reference point to a base reference point of March 2015. See Project Licence, Appendix 1, Part A 6					461,614			
Financing Cost Adjustment Yt Financing Cost Adjustment Index Yield				0	0.35%	0 ( % 0.01%	0.23%		088 -2,21	4,153 -6,874,685
	%	See Project Licence Appendix 1, Part A 6.3	1.30%	1.43%					17%	
			1.30%							
Base Reference Point (BRP) Annual Reference Point (ARP)	%	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015 The historic 12 Months trailing average of the Financing Cost Adjustment Index Yield	1.30%	1.43% 1.30% 1.30%	1.30			i 1.3	30% 1	.30% 1.30% .23% -0.47%
Annual Reference Point (ARP) BRP-ABP Market Cost of Debt Adjustment Factor (absclute)	%	The historic 12 month's trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015 The historic 12 month's trailing average of the Financing Cost Adjustment Index Yield as at 31 March To Charging Year Y-14 Difference between BRP and ARP See Project Licence Appendix I. Part A & 7	1.30%	1.30% 1.30% 0.00% 0.00%	1.30 <sup>4</sup> 0.00 <sup>4</sup> 0.00 <sup>4</sup>	% 1.43% % -0.13% % 0.00%	0.35%	6 1.3 6 0.0 6 1.2 6 0.6	30% 1 101% 0 29% 1 1	.23% -0.47% .07% 1.76% .32% 1.01%
Annual Reference Point (ARP) BRIP-ABP Mixeke Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign)	96 96 96 96	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as a 43 March 2015. The historic 12 months' trailing average of the Financing Cost Adjustment index Yield as af 31 March of Charging Year V-3 Difference between BiP and ARP of A See Project Lexence Appendix I Plant A 6.7 See Project Lexence Appendix I Plant A 6.7	1.30%	1.30% 1.30% 0.00%	1.30 <sup>4</sup> 0.00 <sup>4</sup> 0.00 <sup>4</sup>	% 1.43% % -0.13% % 0.00% % 0.00%	0.35% 0.95% 0.22%	1.3 0.0 1.2 0.0 0.0 0.0 0.0	30% 1 01% 0 29% 1 54% 0 54% - 0	.23% -0.47% .07% 1.76% .32% 1.01% .32% -1.01%
Annual Reference Point (ARP) BRP-ABP Market Cost of Debt Adjustment Factor (absclute)	% % % % Charent prices (March of Charent Vear T-2) E, current prices (March of Charento Year T-2)	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015 The historic 12 months' raining average of the Financing Cost Adjustment Index Yield Difference behaves BRP and ARP See Project Licence Appendix I Plant A & 7 See Project Licence Appendix I Plant A & 7 Net Debt at the end of Charging Year T-2 as defined in Project Licence Appendix 1, 1.41 RCV at the end of Charging Year T-2 in then current prices	1.30%	1.30% 1.30% 0.00% 0.00%	1.30 <sup>4</sup> 0.00 <sup>4</sup> 0.00 <sup>4</sup>	% 1.43% % -0.13% % 0.00%	0.35% 0.95% 0.22% -0.22% -315,869,558	- 1.3 - 0.4 - 1.2 - 0.5 0.5	30% 1 11% 0 29% 1 34% 0 664 556,63	.23% -0.47% 0.0% 1.76% 32% 1.01% 32% -1.01% 4.438 1,181,999,087
Annual Reference Point (ARP) BRIP-ABP Mixek Cost of bebt Adjustment Factor (absolute) Mixek Cost of Debt Adjustment Factor (corrected sign) Net Debt in Charging Year Yh-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-2 Notional Debt is RCV Radio	% % % % Charoing Year T2) E, current prices (March of Charoing Year T2) 8, current prices (March of Charoing Year T2) % c. current prices (March of	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015 The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield Difference behaves IRP and ARP See Project Licence Appendix I Plant A & 7 See Project Licence Appendix I Plant A & 7 Net Debt at the end of Charging Year T-2 as defined in Project Licence Appendix 1, 1.47 RCV at the end of Charging Year T-2 in then current prices As defined in Project Licence Appendix 1, 1.42 RCV multipled by Notional Debt for OK values. See Project Licence Appendix 1 Plant A	1.30%	1.30% 1.30% 0.00% 0.00%	1.30 0.00 0.00 0.00 62.53	%         1.439           %         -0.139           %         -0.069           %         0.009           0         -130,376,913           0         151,310,614           %         -0.25%	0.35% 0.95% 0.22% -315,869,556 502,087,458 62.5%	<ul> <li>1.3</li> <li>0.0</li> <li>1.5</li> <li>0.6</li> <li>0.6</li> <li>-0.6</li> <li>-67,048,1</li> <li>1,043,425,1</li> <li>62,</li> </ul>	10% 1 11% 0 15% 4 15% 2 15% 2 1664 556,63 1,655,433 1,655,433	23% -0.47% .07% 1.76% .32% 1.01% .438 1,181,999,087 .722 2,307,915,724 2.5% 62.5%
Annual Reference Point (ARP) BP-ABP Mixiet Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign) Net Debt in Charging Year Yk-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yk-2 Notional Debt to RCV Ratio Notional Net Debt in Charging Year Yk-2	% % % % Charata trained trained Charatan Year T-2) F, current prices (March of Charatan Year T-2) F, current prices (March of Charatan Year T-2) F, current prices (March of Charatan Year T-2) F, current prices (March of	The historic 12 months trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015 as at 31 March 2015 as at 31 March of Changing Year Y-2 Difference between BRP and ARP See Project Leence Appendix I: Part A & 7 See Project Leence Appendix I: Part A & 7 See Project Leence Appendix I: Part A & 7 Net Debt at the end of Changing Year T-2 in then current prices A defined in Project Leance Appendix I: 1.42 RCV at the end of Changing Year T-2 in then current prices A defined in Project Leance Appendix I: 1.42 RCV multiple by Notional Rebit ROX Valus. See Project Leence Appendix 1 Part A 6.5 Net Debt at the end of Changing Year T-3 as defined in Project Licence Appendix 1 Part A 6.5	7.30%	1.30% 1.30% 0.00% 0.00% 0.00%	1.30 0.00 0.00 0.00 62.53	%         1.43%           %         -0.13%           %         -0.00%           %         -0.00%           0         -130,376,913           0         151,310,512           %         -62,5%           0         94,569,072	0.35% 0.22% -0.22% -315,869,556 502,087,456 62,5% 313,804,661	. 11.3 0.0 11.3 0.0 0.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	20% 1 51% 0 51% 0 54% 0 664 556,63 55,65,43 5% 0 1,65,43 5% 0 1,034,647	23%         -0.47%           .07%         1.76%           .32%         1.01%           .438         1.161,998,087           .428         2.307,915,724           .25%         62.5%           .326         1.442,447,327
Annual Reference Point (ARP) BRP-ABP Mixtel Cost of Debt Adjustment Factor (absolute) Mixtel Cost of Debt Adjustment Factor (corrected sign) Net Debt in Charging Year Yk-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yk-2 Notional Debt in Charging Year Yk-3 Net Debt in Charging Year Yk-3 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yk-3	% % % % Charsina Year T-2) E. current prices (March of Charsina Year T-2) E. current prices (March of Charsina Year T-2) E. current prices (March of Charsina Year T-2) Charsina Year T-2)	The historic 13 months i railing average of the Financing Cost Adjustment Index Yield sa at 31 Macro 2015. The historic 13 months i railing average of the Financing Cost Adjustment Index Yield as at 31 March of Changing Year V-3 Difference between BRP and ARP See Project Leone Appendix I: Port A & 7 See Project Leone Appendix I: Port A & 7 See Project Leone Appendix I: Port A & 7 Net Dets at the end of Changing Year T-2 as defined in Project Licence Appendix 1, 1.41 RCV at the end of Changing Year T-2 in then current prices A softmich in Project Leone Appendix I: 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.9 Net Debt at the end of Changing Year T-3 in then current prices	7.30%	1.30% 1.30% 0.00% 0.00% 0.00%	1.30 0.00 0.60 0.00	%         1.439           %         -0.137           %         0.021	0.355 0.955 0.227 -315,869,558 502,087,458 62,55 313,804,661 -130,376,913 151,310,512	1.1. 0.1. 1.2. 0.1. 1.2. 0.1. 0.1. 0.1.	30%         1           31%         0           32%         4           34%         0           34%         0           35%         66           55         66           521         1,036,43           583         -67,04           458         1,034,42	23%         -0.47%           07%         1.79%           32%         1.01%           32%         -1.01%           1,181,990,607         2,307,915,724           52         2,307,915,724           63         1,442,447,327           1,664         556,634,438
Annual Reference Point (ARP) BRIP-ABP Mixele Cost of beth Adjustment Factor (absolute) Mixele Cost of Deth Adjustment Factor (corrected sign) Net Debt in Charging Year YI-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year YI-2 Notional Debt in Charging Year YI-2 Notional Net Debt in Charging Year YI-3	% % % % % Charaina Year T-2) E. current prices (March of Charaina Year T-2) E. current prices (March of Charaina Year T-3) E. current prices (March of	The historic 13 months i trailing average of the Financing Cost Adjustment Index Yield The 31 March 2015 The historic 13 months i trailing average of the Financing Cost Adjustment Index Yield as al 31 March of Charging Year 7-2 Difference between BRP and ARP See Project Leence Appendix 1: Part A & 7 See Project Leence Appendix 1: Part A & 7 See Project Leence Appendix 1: Part A & 7 Net Debt at the end of Charging Year 7-2 in the current prices As dafined in Project Licence Appendix 1: 1.42 RCV at the end of Charging Year T-3 in then current prices As dafined in Project Licence Appendix 1: Net Debt at the end of Charging Year T-3 in as defined in Project Licence Appendix 1 Part A 6.9 Net Debt at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices RCV articles Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices RCV articles Project Licence Appendix 1: RCV articles Project Licenc	7.305	1.30% 1.30% 0.00% 0.00% 0.00%	1.30 0.00 0.00 0.00 62.57 62.57	%         1.439           %         -0.137           %         0.021	0.355 0.955 0.227 -315,869,558 502,087,458 62,5% 313,804,661 -130,376,913 151,310,512	1.2 0.0 1.2 0.1 1.2 0.1 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	20% 4 20% 4 24% 6 24% 6 2664 556,63 953 1,655,43 5% 6 221 1,034,647 558 -67,041 458 1,034,427 558 6 1,043,427 558 6 1,043,427 558 6 1,055,433 1,055,435 1,055,4	23%         -0.47%           07%         1.76%           23%         1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           4.8         7.181,998,087           328         -0.25%           328         1.442,447,327           4.64         556,634,38           953         1.655,435,722           254         62.5%
Annual Reference Point (ARP) BRIP-ABP Mixter Cost of Debt Adjustment Factor (absolute) Mixter Cost of Debt Adjustment Factor (corrected sign) Net Debt in Charging Year Y-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-2 Notional Debt on RCV Ratio Notional Net Debt in Charging Year Yt-3 Notional Debt to RCV Ratio Notional Net Debt to Debt Ratio	% % % % % current prices (March of Chararina Year T-2) current prices (March of Chararina Year T-2) f. current prices (March of Chararina Year T-3) f. current prices (March of Chararina Year T-3) %	The historic 13 months i trailing average of the Financing Cost Adjustment Index Yield The 31 March 2015 The historic 13 months i trailing average of the Financing Cost Adjustment Index Yield as al 31 March of Charging Year 7-2 Difference between BRP and ARP See Project Leence Appendix 1: Part A & 7 See Project Leence Appendix 1: Part A & 7 See Project Leence Appendix 1: Part A & 7 Net Debt at the end of Charging Year 7-2 in the current prices As dafined in Project Licence Appendix 1: 1.42 RCV at the end of Charging Year T-3 in then current prices As dafined in Project Licence Appendix 1: Net Debt at the end of Charging Year T-3 in as defined in Project Licence Appendix 1 Part A 6.9 Net Debt at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices RCV articles Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices RCV articles Project Licence Appendix 1: RCV articles Project Licenc	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,326         1,442,447,327           1,684         556,634,438           5,853         1,655,435,722           2.9%         62.2%           2.9%         62.2%           2.9%         62.2%           2.9%         62.3%           1,034,647,328         1,034,647,328           1,13         1,14
Annual Reference Point (ARP) BP-ABP Market Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign) Net Debt in Charging Year Yh-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-2 Notional Debt to RCV Ratio Notional Net Debt in Charging Year Yh-3 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-3 Notional Debt to RCV Ratio Notional Debt to RCV Ratio	% % % % % Charaina Year T-2) E. current prices (March of Charaina Year T-2) E. current prices (March of Charaina Year T-3) E. current prices (March of	The histolic 12 months' trailing average of the Financing Cost Adjustment Index Yield sa at 31 Mach 2015. The histolic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March of Charging Year V-3. Difference between BRP and ARP See Project Learne Appendix I Part A & T See Project Learne Appendix I Part A & T Net Det at the end of Charging Year T-2 an effend in Project Licence Appendix 1, 1.41 RCV at the end of Charging Year T-2 in then current prices A softmed in Project Learne Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.9 Net Det at the end of Charging Year T-3 as defined in Project Licence Appendix 1, 1.41 RCV at the end of Charging Year T-3 as defined in Project Licence Appendix 1, 1.41 RCV at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.0 Net Det at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.0	7.305	1.30% 0.00% 0.00% 0.00% 0 0 0 0 0 0 0 0 0 0 0 0 0	1.30 0.00 0.00 0.00 62.57 62.57	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.35' 0.65' 0.22' -375,869,554 502,07,454 62,5% 313,804,661 -130,376,913 151,310,512	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.76%           23%         1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           32%         -1.01%           4.8         7.181,998,087           328         -0.25%           328         1.442,447,327           4.64         556,634,38           953         1.655,435,722           254         62.5%
Annual Reference Point (ARP) BRIP-ABP Mixter Cost of Debt Adjustment Factor (absolute) Mixter Cost of Debt Adjustment Factor (corrected sign) Net Debt in Charging Year Y-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-2 Notional Debt on RCV Ratio Notional Net Debt in Charging Year Yt-3 Notional Debt to RCV Ratio Notional Net Debt to Debt Ratio	% % % % % Charaina Year T-2) E. current prices (March of Charaina Year T-2) E. current prices (March of Charaina Year T-3) E. current prices (March of	The historic 13 months i trailing average of the Financing Cost Adjustment Index Yield The 31 March 2015 The historic 13 months i trailing average of the Financing Cost Adjustment Index Yield as al 31 March of Charging Year 7-2 Difference between BRP and ARP See Project Leence Appendix 1: Part A & 7 See Project Leence Appendix 1: Part A & 7 See Project Leence Appendix 1: Part A & 7 Net Debt at the end of Charging Year 7-2 in the current prices As dafined in Project Licence Appendix 1: 1.42 RCV at the end of Charging Year T-3 in then current prices As dafined in Project Licence Appendix 1: Net Debt at the end of Charging Year T-3 in as defined in Project Licence Appendix 1 Part A 6.9 Net Debt at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices Act dafined in Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices RCV articles Project Licence Appendix 1: RCV at the end of Charging Year T-3 in then current prices RCV articles Project Licence Appendix 1: RCV articles Project Licenc	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,326         1,442,447,327           1,684         556,634,438           5,853         1,655,435,722           2.9%         62.2%           2.9%         62.2%           2.9%         62.2%           2.9%         62.3%           1,034,647,328         1,034,647,328           1,13         1,14
Annual Reference Point (ARP) BRP-ABP Market Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign) Method Sector (Control (Corrected Sign)) Net Debt In Charging Year Yh-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-2 Net Debt In Charging Year Yh-3 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-3 Notional Debt In Charging Year Yh-3 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-3 Notional Debt In Charging Year Yh-3 Abplicable Change In Revenue RPI for Charging Year Yh-2 Applicable Change In Revenue RPI for Charging Year Yh-2	% % % % % Charatina Yean T-2) fc. current prices (March of Charatina Yean T-2) fc. current prices (March of Charatina Yean T-3) fc. current prices (March of Charatina Yean T-3)	The histoic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mach 2015. The Physical P	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,326         1,442,447,327           1,684         556,634,438           5,853         1,655,435,722           2.9%         62.2%           2.9%         62.2%           2.9%         62.2%           2.9%         62.3%           1,034,647,328         1,034,647,328           1,13         1,14
Annual Reference Point (ARP) BRP-ABP Market Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign) Method Sector (Control (Corrected Sign)) Net Debt In Charging Year Yh-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-2 Net Debt In Charging Year Yh-3 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-3 Notional Debt In Charging Year Yh-3 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yh-3 Notional Debt In Charging Year Yh-3 Abplicable Change In Revenue RPI for Charging Year Yh-2 Applicable Change In Revenue RPI for Charging Year Yh-2	% % % % % fs fs fs fs fs fs fs fs fs fs fs fs fs	The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015. The The International Cost Adjustment Index Yield as at 31 March of Charging Year V-3. Difference believes BRP and ARP See Project Leone Appendix I: Port A & 7. See Project Leone Appendix I: A & 7. RCV at the end of Charging Year T-2 as defined in Project Licence Appendix 1, 1.41 RCV at the end of Charging Year T-3 as defined in Project Licence Appendix 1 Part A 6.9 Net Debt at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix 1, 1.42 RCV at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix 1, 1.42 RCV at the end of Charging Year T-3 in then current prices As defined in Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax. See Project Licence Appendix 1, Part A 1.4 RSV/DISTOR Project Licence Appendix 1, Part A 1.4 RSV/DISTOR Project Licence, appendix 1, Part A 1.4 RSV/DISTOR PROFILE STOR PROFILE PROFILE SEE SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Part A 1.4 RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, Set Project Licence Appendix 1, Set Project Licence Appendix 1, RSV/DISTOR PROFILES RECONCLED SEPARATELY, Set Project Licence Appendix 1, R	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,326         1,442,447,327           1,684         556,634,438           5,853         1,655,435,722           2.9%         62.2%           2.9%         62.2%           2.9%         62.2%           2.9%         62.3%           1,034,647,328         1,034,647,328           1,13         1,14
Anual Reference Point (ARP) BP-ABP Marce Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign) Are Debt in Charging Year YJ-2 Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year YJ-2 Notional Net Debt in Charging Year YJ-2 Marce Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year YJ-2 Notional Net Debt in Charging Year YJ-3 Marce Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year YJ-3 Notional Net Debt in Charging Year YJ-3 Notional Net Debt in Charging Year YJ-3 Adjusted Debt in Charging Year YJ-3 Adjusted Charge in Revenue RPI for Charging Year YJ-3	% % % % % fs fs fs fs fs fs fs fs fs fs fs fs fs	The historic 12 months' trailing average of the Financing Cost Adjustment Index Vield as at 31 March of Charging Year V-2 Difference behaves BRP and ARP See Project Lecence Appendix I: Part A & 7 See Project Lecence Appendix I: Part A & 7 See Project Lecence Appendix I: Part A & 7 Rev V at the end of Charging Year T-2 in then current prices As defined in Project Lecence Appendix I: 1.42 ReV at the end of Charging Year T-2 in then current prices As defined in Project Lecence Appendix I: 1.42 ReV at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.3 Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.4 Rev I at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix I: 1.42 ReV at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix I: 1.42 ReV at the end of Charging Year T-3 in then current prices As defined in Project Licence, zero as the IP is not required to pay corporation tax or any other income-based fax See Project Licence Appendix I: 1.42 ReLOW THE RECONCILATION SHEET AS RECONCILED SEPARATELY, AS UNREPOVER RECOVERED REVENUE IN RELATION TO ALL APPLICABLE Griftmen Repover Report Recover Report Recover Report Recover Report Recover Recove	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRIP-ABP Marker Cost of Debt Adjustment Factor (absolute) Marker Cost of Debt Adjustment Factor (corrected sign) Are Debt in Charging Year Ya-2 Mater Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Ya-2 Notional Net Debt in Charging Year Ya-2 Mater Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Ya-2 Notional Net Debt in Charging Year Ya-3 Mater Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Ya-3 Notional Net Debt in Charging Year Ya-3 Applicable Change in Revenue RPI for Charging Year Ya-3 Applicable Change in Revenue RPI for Charging Year Ya-3 Ar.1.4. Tax	% % % % % fs fs fs fs fs fs fs fs fs fs fs fs fs	The historic 13 months i nailing average of the Financing Cost Adjustment Index Yield as a 31 Macri 2015 The historic 13 months i nailing average of the Financing Cost Adjustment Index Yield as a 31 Macri of Changing Year 7-2 as defined in Project Licence Appendix 1, 11 Macri of Changing Year 7-3 as defined in Project Licence Appendix 1, 14 Macri of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142 RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142 RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142 RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142 RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142 RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142 RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence, Appendix 1, 1, 142 RCV and the end of Changing Year 7-3 in the current prices A staffined in Project Licence, zero as the IP is not required to pay corporation tax or any chini income-Dasad fax S Subpervolution RCV Rubic See Project Licence Appendix 1 Part A 6.9 In line with the Project Licence, zero as the IP is not required to pay corporation tax or any chini income-Dasad fax S SUDREPOVERVENT INRELATION TO ALL APPLICABLE CHARGING YEARS IS RECOVICILED INCOLLATION 3020. The revenue adjustment building book is in oncome for low revenued Addem Abuved Free Very Line Recover Addition and Revenue in Additioned Revenue as submitted in 3015, 2016 and 2017 updated revised Revenue Staffamment in addition ad 2018/20 Alternet 7020.	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05%	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRP-ABP Market Cost of Debit Adjustment Pactor (absolute) Market Cost of Debit Adjustment Pactor (corrected sign) Are Debt in Charging Year Ya-2 Market Cost of Debit Adjustment Pactor (Current Prices) in Charging Year Ya-2 Motoral Net Debt in Charging Year Ya-2 Market Net Debt in Charging Year Ya-3 Market Net Debt in Charging Year Ya-3 Market Debt in Charging Year Ya-3 Market Debt in Charging Year Ya-3 Motoral Debt Debt in Charging Year Ya-3 Motoral Debt Debt in Charging Year Ya-3 Motoral Debt in Charging Year Year Ya-3 Motoral Debt in Charging Year Year Year Year Year Year Year Year	% % % % % fs fs fs fs fs fs fs fs fs fs fs fs fs	The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March of Changing Year V-3 The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March of Changing Year V-3 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 6 Net Debt at the end of Charging Year T-3 in then current prices As defined in Project Leone Appendix I: Part A & 6 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 7 See Project Leone Appendix I: Part A & 8 See Project Leone Appendix I: Part A & 1 Ret WorkD PROM this RecOVERID RET APPLICABLE CARON LED SEPARATELY, A SURPREVENTING PROM THIS RECOVERID RET APPLICABLE Graphical Difference Appendix I: Part A 1:4 Ret WorkD PROM this RecOVERID RET APPLICABLE CARON TO ALL APPLICABLE Graphical Difference Appendix I: Part A 1:4 Ret MoubD PROM this RecOVERID RET APPLICABLE Graphical Difference Appendix I: Part A 1:4 Allowed Revenue as submitted in 30:5, 2016 and 3017 updited revenue Brevous Charging Years. See Project Leone Appendix I: Part A Allowed Revenue as submitted in 30:5, 2016 and 3017 updited revenue Statement Amount Collected by Thames Water and neoleeb by Tideway in magnet of 2016/17, Allowed Revenue as submitted in 30:5, 2016 and 3017 updited revenue Statement Amount Collected by Thames Water and necoleeb by Tideway in magnet of 2016/17, Allowed Revenue	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRP-ABP Mark Cost of Debt Adjustment Factor (absolute) Mark Cost of Debt Adjustment Factor (corrected sign) And Debt in Charging Year Y-2 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-2 Notional Debt in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Mark Services Regulation Authority Mark Services Regulation Authority Address Charging Year Y-3 Actor Services Regulation Authority Mark Services Regulation Authority Adjusted Charging Year Y-3 Actor Services Regulation Authority Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Actor Services Regulation Authority Mark Services Regulation Authority Mark Services Regulation Authority Adjusted Charging Year Y-3 Actor Services Regulation Authority Adjusted Charging Year Y-3 Actor Services Regulation Authority Mark Services Regulation Authority Mark Services Regulation Authority Adjusted Charging Year Y-3 Actor Services Regulation Adjusted Regulation Adjuste	% % % % % for an analysis of the second characteristic for a second characteristic for	The historic 12 months trailing average of the Financing Cost Adjustment Index Yield as al 31 March of Charging Year Y-2 Difference behaves BRP and ARP See Project Leence Appendix I: Part A & 7 See Project Leence Appendix I: Part A & 7 See Project Leence Appendix I: Part A & 7 Net Debt at the end of Charging Year T-2 in then current prices A defined in Project Leence Appendix I: 1.42 RCV at the end of Charging Year T-2 in then current prices A defined in Project Leence Appendix I: 1.42 RCV at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.5 Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.5 Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.5 Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.5 Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix I Part A 6.5 Net Debt at the end of Charging Year T-3 in then current prices As defined in Project Licence, Appendix I: 1.42 RCV at the end of Charging Year T-3 in then current prices As defined in Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax bis UndebtorVerburk III REATING SEE TAS RECONCLED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCLED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCLED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCLED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCILED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCILED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCILED SEPARATELY ; A SUNDED FROM THIS RECONCILLATION SHEET AS RECONCILLED SEPARATELY ; A SUNDED FROM THIS RECONCILLED IN CALCULATION 200. The revenue Statement	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) Breva Cor O Pober Adjustment Pactor (abacable) Market Cost O Deber Adjustment Pactor (corrected sign) Ander Cost O Deber Adjustment Pactor (corrected sign) Ander Cost O Deber Adjustment Pactor (corrected sign) Attention Debet to RCV Pactor National	% % % % % for an analysis of the second characteristic for a second characteristic for	The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield as a 31 Mach of 2015 The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield as a 31 Mach of Changing Year V-3 The historic 13 months' trailing average of the Financing Cost Adjustment Index Yield as a 31 Mach of Changing Year V-3 See Project Leance Appendix I: Part A 6.7 See Project Leance Appendix I: Part A 6.7 As defined in Project Leance Appendix I: 144 RCV at the end of Changing Year T-2 as defined in Project Licence Appendix 1 ful RCV at the end of Changing Year T-3 in the current prices As defined in Project Leance Appendix I: 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Leance Appendix 1 ful RCV at the end of Changing Year T-3 in the current prices As defined in Project Leance Appendix I: 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 ful RCV at the end of Changing Year T-3 in the current prices As defined in Project Leance Appendix I: 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix I Part A 6.9 In line with the Project Licence Appendix I: 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix I Part A 6.9 In line with the RCV RCV RCD RCV RCD RCV RCD RCV RCD RCV	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Form (ARP)         BIP-ABP         BIP-ABP         BIP-ABP         BIP-ABP         BIP-ABP         March Cost of Debt Adjustment Factor (absolute)         March Cost of Debt In Charging Year Yl-2         March Cost of Debt In Charging Year Yl-3         March Cost of Debt In Charging Year Yl-3         March Cost of Debt In Charging Year Yl-3         March Nebb In Charging Year Yl-3         March Nebb In Charging Year Yl-3         March Nebb In Charging Year Yl-3         Adjustable Change In Revenue RPI for Charging Year Yl-3         Adjustable Change In Revenue RPI for Charging Year Yl-3         Adjustable Change In Revenue RPI for Charging Year Yl-3         March Tott         March Tott         March Tott Recovered Revenue (of end of September 2010)         Anount recovered In Revenue RPI         March Tottore In Revenue RPI         March Tottore In Revenue RPI         March Tottore In Revenue R	% % % % % for an analysis of the second characteristic for a second characteristic for	The Nation 13 month i maining average of the Financing Cost Adjustment Index Yield as at 31 Mach 2015. The Nation 2015 The National Yield State 10 Machine Index Yield State 2015. The Nation 21 Machine ISP and APP See Project Leenes Appendix I Pint A 6.7 See Project Leenes Appendix I Pint A 6.7 See Project Leenes Appendix I Pint A 6.7 Net Debt at the end of Charging Year T-2 as defined in Project Licence Appendix 1, 1.4 RCV at the end of Charging Year T-2 in then current prices A staffined in Project Licence Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Pint A 6 Net Debt at the end of Charging Year T-3 in then current prices A staffined in Project Licence Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Pint A 6 Net Debt at the end of Charging Year T-3 in then current prices A staffined in Project Licence Appendix 1, 1.42 RCV at the end of Charging Year T-3 in then current prices A staffined in Project Licence Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Pint A 6.3 In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax. See Project Licence Appendix 1, Pint A 1.4 REVOWED REVOKED REVOKED REVEXED REVEXED REVEXED SEPARATELY, A SURDED/VERT RECOVERED REVEXED REVEXED REVEXED SEPARATELY, A SURDED/VERT RECOVERED REVEXED REVEXED RECOVERED REVEXED R	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRP-ABP Mark Cost of Debt Adjustment Factor (absolute) Mark Cost of Debt Adjustment Factor (corrected sign) Are Debt in Charging Year Y-2 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-2 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Actional Net Debt in Charging Year Y-3 Action	% % % % % for an analysis of the second characteristic for a second characteristic for	The Nation 13 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mach 2015. The Nation 2015 The National Yield State 1999 (See Yield State 1999) (See Yield State 2015) See Yield Leaves Appendix I Pint A 57 See Yield Leaves Appendix I Pint A 59 Net Debt at the end of Charging Year T-3 in then current prices A sdefined in Pinjed Leaves Appendix I . 1.42 RCV at the end of Charging Year T-3 in then current prices A sdefined in Pinjed Leaves Appendix I . 1.42 RCV at the end of Charging Year T-3 in then current prices A sdefined in Pinjed Leaves Appendix I . 1.42 RCV at the end of Charging Year T-3 in then current prices A sdefined in Pinjed Leaves Appendix I . 1.42 RCV at the end of Charging Year T-3 in then current prices A sdefined in Pinjed Leaves Appendix I . 1.42 RCV at the RCV RESCONCE See Yield Leaves Appendix I Pint A 5.3 See Pigel Leaves Appendix I . Pint A 1.4 RS MostShov(Str RECOVERD) REVENDER TA RECOVER LED SEPARATEY Y, Straftshov YEAR SECONCLED See TOR CAVE AND CAUGUAL TON 2000. The revue adjustment building bob is to reconcile for undorver recovered Abwed Revenue adjustment building bob is to reconcile for undorver recovered Abwed Revenue adjustment building bob is a reconcile for undorver recovered Abwed Revenue adjustment building bob is a reconcile for undorver recovered Abwed Revenue adjustment building bob is a reconcile for undorver recovered Abwed Revenue adjustment building bob is a reconcile for the end of Saptember 2010. The total abused for t	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Form (ARP)         BIP-ABP         BIP-ABP         BIP-ABP         BIP-ABP         BIP-ABP         March Cost of Debt Adjustment Factor (absolute)         March Cost of Debt In Charging Year Yl-2         March Cost of Debt In Charging Year Yl-3         March Cost of Debt In Charging Year Yl-3         March Cost of Debt In Charging Year Yl-3         March Nebb In Charging Year Yl-3         March Nebb In Charging Year Yl-3         March Nebb In Charging Year Yl-3         Adjustable Change In Revenue RPI for Charging Year Yl-3         Adjustable Change In Revenue RPI for Charging Year Yl-3         Adjustable Change In Revenue RPI for Charging Year Yl-3         March Tott         March Tott         March Tott Recovered Revenue (of end of September 2010)         Anount recovered In Revenue RPI         March Tottore In Revenue RPI         March Tottore In Revenue RPI         March Tottore In Revenue R	% % % % % for an analysis of the second characteristic for a second characteristic for	The Nation 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mach 2015. The Phatonic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mach of Charging Year Y-3. The Phatonic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mach of Charging Year Y-3. The Phatonic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mach of Charging Year Y-3 at defined in Project Licence Appendix 1, 14. The Cost at the end of Charging Year T-2 as defined in Project Licence Appendix 1 Part A 6. So that end of Charging Year T-3 as defined in Project Licence Appendix 1 Part A 6. So that end of Charging Year T-3 as defined in Project Licence Appendix 1 Part A 6. So that end of Charging Year T-3 as defined in Project Licence Appendix 1 Part A 6. So that end of Charging Year T-3 as defined in Project Licence Appendix 1 Part A 6. So that end of Charging Year T-3 in their current prices. As defined in Project Licence Appendix 1, 14.2 RCV at the end of Charging Year T-3 in their current prices. As defined in Project Licence Appendix 1 Part A 6. So that end of Charging Year T-3 in their current prices. The final material prices at the end of Charging Year T-3 in their current prices. The final train the Current prices. The final train train train the Current prices. The final train train train tra	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRP-ABP Mark Cost of Debt Adjustment Factor (absolute) Mark Cost of Debt Adjustment Factor (corrected sign) Are Debt in Charging Year Y-2 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-2 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Mark Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Y-3 Actional Net Debt in Charging Year Y-3 Action	% % % % % for an analysis of the second characteristic for a second characteristic for	The Nation 13 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 Mech 2015. The Nation 27 Other and Provide 14 Provided	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRP-ABP Marce Cost of Debit Adjustment Factor (absolute) Marce Cost of Debit Adjustment Factor (corrected sign) Actor Cost of Debit Adjustment Factor (absolute) Marce Cost of Debit Adjustment Factor Marce Cost of Debit Adjustment RPI for Charging Year Y1-3 Adjustable Change in Resenue RPI Adjustable Change in Resenue RPI Marce Cost of Cost Adjustment (to end of September 2020) Adjustable Change in Resenue RPI Marce MPV adjustment Marce MPV adjustment Adjustable In Resenue RPI Adjustable In Resenue RPI Adjustable In Resenue RPI Marce Cost of Potor Charging Year not yet reconciled (unadjusted)	% % % % % for an analysis of the second characteristic for a second characteristic for	The Nation 12 months' railing average of the Financing Cost Adjustment Index Yield as at 31 Mach 2015. The Nation 21 Part A 12 Part 12	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           4.38         1,161,996,97           4.722         2,307,915,724           2.9%         62.9%           62.6%         62.9%           1,864         556,634,438           585         1,635,435,722           2.9%         62.2%           2.9%         62.9%           2.9%         62.9%           2.9%         62.2%           2.9%         62.2%           3.26         1,634,647,327
Annual Reference Point (ARP) BRP-ABP Marce Cost of Debit Adjustment Factor (absolute) Marce Cost of Debit Adjustment Factor (corrected sign) Actor Cost of Debit Adjustment Factor (absolute) Marce Cost of Debit Adjustment Factor Marce Cost of Debit Adjustment RPI for Charging Year Y1-3 Adjustable Change in Resenue RPI Adjustable Change in Resenue RPI Marce Cost of Cost Adjustment (to end of September 2020) Adjustable Change in Resenue RPI Marce MPV adjustment Marce MPV adjustment Adjustable In Resenue RPI Adjustable In Resenue RPI Adjustable In Resenue RPI Marce Cost of Potor Charging Year not yet reconciled (unadjusted)	% % % % % e. current prices (March of Charaina Vear T-3) c. current prices (March of Charaina Vear T-3) c. current prices (March of Charaina Vear T-3) f. current prices (March of Charaina Vear T-3) % c. current prices (March of Charaina Vear T-3) % c. current prices (March of Charaina Vear T-3) % f. current prices (March of Charaina Vear T-3) %	The Nation 13 month if maling average of the Financing Cost Adjustment Index Yield as al 31 Mach of Changing Year Y-3 Difference behaves BRP and ARP See Project Leence Appendix I: Part A 6.7 See Project Leence Appendix I: Part A 6.9 Net Debt at the end of Changing Year T-3 in the current prices As defined in Project Leence Appendix I: 1.42 RCV antibiled by Notional Debt to RCV ratio. See Project Leence Appendix I: Part A 6.9 Net Debt at the end of Changing Year T-3 in then current prices As defined in Project Leence Appendix I: 1.42 RCV antibiled by Notional Debt to RCV ratio. See Project Leence Appendix I: Part A 6.9 Net Debt at the end of Changing Year T-3 in then current prices See Project Leence Appendix I: Part A 1.4 REMOVED FROM THIS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW NEW NER ALTONY TO ALL APPLICABLE GHARMAN YEARS IS RECOVERLED NEW YEAR AND NEW NEW NER	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           438         1,161,996,987           4,722         2,307,915,724           25%         62,5%           626         556,634,438           585         1,655,435,722           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,3%           2.5%         62,3%           2.5%         62,3%
<text><text><text><text><text><text><text><text><text><text><text><text></text></text></text></text></text></text></text></text></text></text></text></text>	<ul> <li>%</li> <li>%&lt;</li></ul>	The Nation 12 months' railing average of the Financing Cost Adjustment Index Yield as at 31 Mech 2015. The Nation 2 months' railing average of the Financing Cost Adjustment Index Yield as at 31 Mech of Charging Year Y-3 Bie Project Learnes Appendix I Pint A & 5 Bie Project Learnes Appendix I Pint A & 5 Bie Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Project Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Learnes Appendix I Pint A & 5 Cost Pint Pint Pint Pint Pint Pint Pint Pin	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           438         1,161,996,987           4,722         2,307,915,724           25%         62,5%           626         556,634,438           585         1,655,435,722           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,3%           2.5%         62,3%           2.5%         62,3%
<text><text><text><text><text><text><text><text><text><text><text><text><text></text></text></text></text></text></text></text></text></text></text></text></text></text>	% % % % % e. current prices (March of Charaina Vear T-3) c. current prices (March of Charaina Vear T-3) c. current prices (March of Charaina Vear T-3) f. current prices (March of Charaina Vear T-3) % c. current prices (March of Charaina Vear T-3) % c. current prices (March of Charaina Vear T-3) % f. current prices (March of Charaina Vear T-3) %	The Nation 13 month in tailing average of the Financing Cost Adjustment Index Yield are at 31 Mech 2015. The Nation 2015 The National Part 14 A B See Project Leones Appendix I: Part A & B See Project Leones Appendix I: 1.42 RCV at the end of Charging Year T-3 in the current prices A set finds in Project Leones Appendix I: 1.42 RCV at the end of Charging Year T-3 in the current prices A set finds in Project Leones Appendix I: 1.42 RCV at the end of Charging Year T-3 in the current prices A set finds in Project Leones Appendix I: 1.42 RCV at the end of Charging Year T-3 in the current prices A set finds in Project Leones Appendix I: 1.42 RCV at the end of Charging Year T-3 in the current prices A set finds in Project Leones Appendix I: 1.42 RCV at the RCV RUN INFORMATION IN See Project Leones Appendix I Part A 6.9 In line with the Project Leones Appendix I: 1.42 RCV Multipled by Notional Debt to RCV ratio. See Project Leones Appendix I Part A 6.9 In See Project Leones Appendix I: 1.42 RCV MULT Provide See RCV REID EVENUE IN RELATION TO ALL APPLICABLE CHARGING YEAR IS IN ECONCILLATION SHEET AS RECONCILLAD SEPARATELY, A SUNREPOVER J See RCOVERCE DEVICE DIVICALCULATION 200. The rewine in private Charging Years and neoleide Dy Toleway in respect of 2016/17, 201718. 201518 of 201519 Autometer Appendix I: Part A 7 Allowed Revenue as submitted in 2015. 2016 and 2017 Jupdited in vised Revenue Statement. Amount collected by Thimes Water and neoleide Dy Toleway in respect of 2016/17, 201718. 201518 of 201519 Autor 201519 Auto	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           438         1,161,996,987           4,722         2,307,915,724           25%         62,5%           626         556,634,438           585         1,655,435,722           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,3%           2.5%         62,3%           2.5%         62,3%
Annual Reference Your (MPR)         BTP-ABP         BTP-ABP         BTP-ABP         Control of Debit Adjustment Factor (absolute)         Anton (Control of Debit Adjustment Factor (absolute)         Control Control of Debit Adjustment Factor (absolute)         Control Debit On Changing Year YL2         Control Control Revenue RPE For Changing Year YL2         Control Revenue RPE For Changing Year Net Year Control Revenue (to end of September 2010)         Control Revenue RPE For Changing Year Net Year Control Revenue (to end of September 2010)         Control	% % % % % f f f f f f f f f f f f f f f	The Nation 13 months' training average of the Financing Cost Adjustment Index Yield as at 31 Mech 2015. The Nation 21 Mech of Changing Year 73 as defined in Project Licence Appendix 1, 141. RCV at the end of Changing Year 7-2 as defined in Project Licence Appendix 1, 141. RCV at the end of Changing Year 7-2 as defined in Project Licence Appendix 1 Part A 3 staffined in Project Licence Appendix 1, 142. RCV at the end of Changing Year 7-3 as defined in Project Licence Appendix 1 Part A 4 staffined in Project Licence Appendix 1, 142. RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142. RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142. RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142. RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence Appendix 1, 142. RCV at the end of Changing Year 7-3 in the current prices A staffined in Project Licence, apen as the IP is not required to pay corporation tax or any other incomes band tax. See Project Licence Appendix 1, Part A 1.4 REMOVED FROM THIS RECOVERIL MENT ALTON TO ALL APPLICABLE adjustment building blob is to recorde for underview recovered Adward Revenue in provuous Changing Years. See Project Licence, Appendix 1, Part A 1.4 Allowed Revenue as submitted in 1015, 2016 and 2017 updated in respect 0.2016/17. Allowed Revenue as submitted in 2015, 2016 and 2017 updated Revenue in provuous Changing Years. See Project Licence, Appendix 1, Part A Allowed Revenue as submitted in 2015, 2016 and 2017 updated Revenue Statement. Anous Collected By Thames Weat and received by Tidewary in respect 0 2016/17. ADVINTS collected by Thames Weat and received by Tidewary in respect 0 2016/17. ADVINTS collected by Thames Weat and received by Tidewary in respect 0 2016/17. ADVINTS collected by Thames Allowed Revenue, price the weat Allowed Revenue Statement. Represents the number of years on RWY	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           438         1,161,996,987           4,722         2,307,915,724           25%         62,5%           626         556,634,438           585         1,655,435,722           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,3%           2.5%         62,3%           2.5%         62,3%
Annual Reference Your (MPP)         BIP-ABP         Charbert Carbon (Part M-2)         Mark Debt in Charging Year V-3         Charbert Carbon (Bip Wear Y-3)         Charbert Carbon (Bip Wear Y	% % % % % f f f f f f f f f f f f f f f	The Nation 12 months' railing average of the Financing Cost Adjustment Index Yield as at 31 Mach 2015. The Nation 21 Charging Year Y-3 Difference between BRP and ARP See Project Learnes Appendix I Pint A 67 See Project Learnes Appendix I Pint A 68 See Project Learnes Appendix I Pint A 69 See Project Learnes Appendix I Pint A 14 See Project Learnes Appendix I Pint	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           438         1,161,996,987           4,722         2,307,915,724           25%         62,5%           626         556,634,438           585         1,655,435,722           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,3%           2.5%         62,3%           2.5%         62,3%
Annual Reference Your (MPR)         BTP-ABP         BTP-ABP         BTP-ABP         Control of Debit Adjustment Factor (absolute)         Anton (Control of Debit Adjustment Factor (absolute)         Control Control of Debit Adjustment Factor (absolute)         Control Debit On Changing Year YL2         Control Control Revenue RPE For Changing Year YL2         Control Revenue RPE For Changing Year Net Year Control Revenue (to end of September 2010)         Control Revenue RPE For Changing Year Net Year Control Revenue (to end of September 2010)         Control	% % % % % % f. current prices (March of Charaina Vear T2) f. current prices (March of Charaina Vear T3) f. current	The Nation 13 month in tailing average of the Financing Cost Adjustment Index Yield as at 31 Mech of Changing Year Y3. The Nation 23 Mech of Changing Year Y3. The Nation 24 Mech of Changing Year A 1.42 Mech Ober Mech Nation 24 Mech of Nation 24 Mech Mech Nation 24 M	7.305	1.30% 1.30% 0.00% 0.	1.30 0.60 0.60 0.00 62.51 62.51	k         1.439           k         -0.139           k         -0.639           k         0.605           k         -0.605           k         -0.605           k         -150,376,911           k         -120,376,911           k         -1	0.55% 0.65% 0.22% -0.22% -0.25	1.3. 0.0. 1.7. 0.1. 0.1. 0.1. 0.1. 0.1. 0.1	00% 1 01% 0 02% 4 04% 0 0664 556,63 05% 6 05% 6 05% 6 05% 0 05% 0 0 05% 0 05% 0	23%         -0.47%           07%         1.79%           32%         1.01%           32%         1.01%           32%         1.01%           438         1,161,996,987           4,722         2,307,915,724           25%         62,5%           626         556,634,438           585         1,655,435,722           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,2%           2.5%         62,3%           2.5%         62,3%           2.5%         62,3%

Applicable Change in Revenue RPI (year in which original calculation was made) Applicable Change in Revenue RPI (current year)		adjustment building blocks, as these building blocks are not subject to reconciliation.
Reconciliation amounts (unadjusted)	£	Adjustment calculated as difference between updated calculation and previous year's calculation, prior to NPV adjustment.
Reconciliation amounts (NPV-adjusted)	£	Adjustment calculated as difference between updated calculation and previous year's calculation, post NPV-adjustment using BWACC and Applicable Change in Revenue RPI.
A.11. Additional Return on Capital Building Block	£	Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11
A.11. Additional Liquidity Building Block	£	Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11

				BBRA Inpu	its 2019									
						First Charging	Second	Third	Fourth	Fifth Charging	Sixth Charging		Eighth Charging	Ninth Charging
						Year	charging year	Charging Year	Charging Year	Year	Year		Year	Year
Vera state	Unit	Source/notes	2012/13	2013/14	2014/15	2015/16 01/04/2015	2016/17 01/04/2016	2017/18 01/04/2017	2018/19 01/04/2018	2019/20 01/04/2019	2020/21 01/04/2020	2021/22 01/04/2021	2022/23 01/04/2022	2023/24 01/04/2023
Year starts Year ends						31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
Year t-2 Year t-1						2013/14 2014/15	2014/15 2015/16	2015/16 2016/17	2016/17 2017/18	2017/18 2018/19	2018/19 2019/20	2019/20 2020/21	2020/21 2021/22	2021/22 2022/23
Year t Year t+1						2015/16 2016/17	2016/17 2017/18	2017/18 2018/19	2018/19 2019/20	2019/20 2020/21	2020/21 2021/22	2021/22 2022/23	2022/23 2023/24	2023/24 2024/25
Year t+2						2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1.1 2014/15 RPI Adjustment Factor														
Forecast RPI Adjustment Factor for the calendar year in which Charging Year commences	%	Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison or independent forecasts", HM Treasury, Aug 2021	f									3.2%	4.1	% 3.5%
		Required by Project Licence Appendix 1, 1.1 (i), (ii), (iii) Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison or	f											
Forecast RPI Adjustment Factor for the calendar year in which Charging Year ends	%	independent forecasts", HM Treasury, Aug 2021 Required by Project Licence Appendix 1, 1.1 (i), (ii), (iii)										4.1%	3.5	% 3.2%
RPI, September of Charging Year		Source: RPI (All Items) index, Consumer Price Inflation Tables, Table 36, 20 October 2021, Office for National Statistics.			257.6	5 259.6	264.9	275.1	284.1	291.0	294.3	308.6		
RPI, March of Charging Year		Source: RPI (All Items) index, Consumer Price Inflation Tables, Table 36, 20 October 2021, Office for National Statistics.		254.	3 257.1	1 261.1	269.3	278.3	285.1	292.6	296.9			
,		Required by Project Licence Appendix 1, 1.1 (iii)												
Applicable Change in Revenue RPI														
		Source: RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 October 2021, Office for National Statistics. Estimated for November 2021 based on September 2021 RPI and Forecast RPI Adjustment												
RPIt (RPI for November in Charging Year Yt-1)		Factor for 2021 Required by Project Licence Appendix 1, Part A 3, 4 and 6		245.	5 252.1	1 259.8	259.8	265.5	275.8	284.6	291.0	1		
		Note: for both First and Second Charging years, stated RPI is for November 2015, as Allowed Revenue for both these years is being calculated together												
Year average RPI		Source: Calculated from RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 October 2021 Office for National Statistics	r.		256.7	7 259.4	265.0	274.9	283.3	290.6	294.2			
		Required by Project Licence Appendix 1, Part A 3, 4 and 6 and Appendix 1, 1.1 (iv)												
A.3. Return on Capital and A.4 Liquidity														
		Source: "Copy-of-RCV-Bazalgette-2020-publ.xlsx", https://www.ofwat.gov.uk/publication/regulatory-capital-value:	s-											
Water Services Regulation Authority Stated RCV (2014/15 Prices) at 31 March	2014/15 prices, £	bazalgatta tuppal limitad tidaway 2/	3-	-	-	148,741,346	478,533,658	962,316,426	1,490,337,315					
		Required by Project Licence Appendix 1, Part A 3												
Allowable Project Spend (actual and forecast) - as at October 2021														
Annual Actual Project Spend	Outturn prices, £				-	150,344,662	340,489,147	518,165,900	582,828,772	604,855,688	542,182,309	264,008,258		
Estimated Allowable Project Spend	Outturn prices, £	Required by Project Licence Appendix 1, Part A 3 UPDATED FOR RECONCILIATION Source: "Regulation Reporting Sep 21 - updated 121021 for LC reporting"				-								
Estimated Allowable Project Spend	Outlant prices, 2	Required by Project Licence Appendix 1, Part A 3 UPDATED FOR RECONCILIATION Source: "2021 Revenue Statement - ITA Q1 2021-22 Expenditure Forecast							-		-	-		
Forecast Allowable Project Spend	Outturn prices, £	Review - Rev 001 - Issued" for full-year 2021/22, 2022/23 and 2023/24 forecasts. The 2021/22 figure is net of expenditure already realised (April to September)			-	-	-	-	-		-	255,671,645		
		Required by Project Licence Appendix 1, Part A 3, 4												
Excluded Project Spend	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2020".												
Alliance Agreement receipts - expenditure funded by these receipts is treated as Excluded Project														
Spend and therefore is excluded from the Allowable spend metrics set out above	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2020".												
	%	Source: Project Licence, Appendix 1, 1.18				2.497%	1							
BWACC	%	Required by Project Licence Appendix 1, Part A 3, 4, 6, 7, 8				2.497%								
A.5. Opex Opex forecast as at October 2021	Outturn prices, £	Note: In line with the Project Licence, zero as all expenditure treated as capex.				-								
	Outlant prices, 2	Required by Project Licence Appendix 1, Part A 5						_	_					
A.6. Financing Cost Adjustment														
Alo. I manong ooor Adjuotmont		Source: "FCA yield calculator.xlsx"												
Financing Cost Adjustment Index Yield - 12 months trailing average at 31 March	%	Calculated with reference to iBoxx BBB data from Lloyds Bank and spot implied inflation rates for 10 year maturit	ty		1.39	% 1.4%	0.4%	0.0%	0.2%					
		from Bank of England Required by Project Licence Appendix 1, Part A 6												
Water Services Regulation Authority Adjusted RCV (Current Prices) at 31 March	Current prices at 3 March of Charging	Source: "Copy-of-RCV-Bazalgette-2020-publ.xlsx", https://www.ofwat.gov.uk/publication/regulatory-capital-value: bazalgette-tunnel-limited-tideway-2/ Zero prior to licence award	S-		-	151,310,515	502,087,458	1,043,425,953	1,655,435,722					
<b>5</b> , <b>7</b>		Required by Project Licence Appendix 1, Part A 3												
Net Debt at 31 March	Current prices at 3 March of Charging	<sup>1</sup> Source: Prior year Tideway financial statements and Net debt revised.xlsx Required by Project Licence Appendix 1, Part A 6	-	-	-	- 130,376,913	- 315,869,558	- 67,048,664	556,634,438					
Notional Debt to RCV ratio	Year %	Source: Project Licence Appendix 1, 1.42			62.5	%								
		Required by Project Licence Appendix 1, Part A 6				-								
A 1.4. Tax														
Tax as at October 2021	Outturn prices, £	In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax.				-		-		-				
		See Project Licence Appendix 1, Part A 1.4												
A.7. Under/Over Recovered Revenue Adjustment		See Project Licence, Appendix 1, Part A.7												
Allowed Revenue	£	Data removed as not required for reconciliation purposes. See "Inputs 2021".												
Allowed Revenue Amount recovered in respect of 2016/17, 2017/18 and 2018/19 Allowed Revenue (to end of Septemb 2019)	~	Data removed as not required for reconcluation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021".												
2019) Amount recovered in respect of Allowed Revenue (to end of September 2018)		Data removed as not required for reconciliation purposes. See "Inputs 2021".												
Years of NPV adjustment		Data removed as not required for reconciliation purposes. See "Inputs 2021".												
Amounts received from TWUL in Charging Year (all years of Allowed Revenue)	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021".												
A.8. Reconciliation adjustment Time since original calculation	Years	See Project Licence, Appendix 1, Part A 8 Data removed as not required for reconciliation purposes. See "Inputs 2021".												
Reconcile this year? Allowed Revenue as per most recently submitted Revenue Statement (excluding building block		Data removed as not required for reconciliation purposes. See "Inputs 2021".												
reconciliation and under/over recovered revenue adjustment)	£	Data removed as not required for reconciliation purposes. See "Inputs 2021".												
A 11 Additional Return on Capital Building Block														
A.11. Additional Return on Capital Building Block		Not applicable at present. Inputs to be added if this building block becomes relevant (i.e. if Tideway makes an IA	IR											
Additional Allowable Project Spend		Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11												
A 1.6.4. Net Present Value Adjustment														
End of first charging year Licence Award		Last day of the First Charging Year Date of Licence award				31/03/2016 24/08/2015	5							
							-							

Seventh	Eighth	Ninth
Charging	Charging	Charging
Year	Year	Year
2021/22	2022/23	2023/24
01/04/2021	01/04/2022	01/04/2023
31/03/2022	31/03/2023	31/03/2024
2019/20	2020/21	2021/22
2020/21	2021/22	2022/23
2021/22	2022/23	2023/24
2022/23	2023/24	2024/25
2023/24	2024/25	2025/26

BBRA Calculation 2019

		BBRA Galcui	ation 2015							
Building Block	Unit	Notes/description	2013/14	2014/15		Second Charging . Year	Third Charging Year F		Fifth Charging Year	Sixth Charging Year
Year starts					2015/16 01/04/2015	2016/17 01/04/2016	2017/18 01/04/2017	2018/19 01/04/2018	2019/20 01/04/2019	2020/21 01/04/2020
Year ends Year t-2 Year t-1					31/03/2016 2013/14 2014/15	31/03/2017 2014/15 2015/16	31/03/2018 2015/16 2016/17	31/03/2019 2016/17 2017/18	31/03/2020 2017/18 2018/19	01/04/2021 2018/19 2019/20
Yeart Yeart+1 Yeart+2					2015/16 2016/17 2017/18	2016/17 2017/18 2018/19	2017/18 2018/19 2019/20	2018/19 2019/20 2020/21	2019/20 2020/21 2021/22	2020/21 2021/22 2022/23
1.1 2014/15 RPI Adjustment Factor		A factor calculated for each Charging Year to express costs associated with that year in a			2017/16	2010/19	2019/20	2020/21	2021/22	2022/23
(a) for the purposes of calculating Forecast Allowable Project Spend for Charging Year Yt+ Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+1 commences	1, estimated Allowable Pro %	2014/15 price base. See Project Licence, Appendix 1, 1.1 oject Spend for the said Charging Year shall be deflated from a price base in Charging Year Forcesst RPI- see input sheet for description of source	Yt+1 to the Base RPI Inc	dex year ([20	4/15]), using an adju	stment factor derived from	multiplying the factors set or	ut in (i), (ii), (iii) and (iv) below	v;	3.2%
Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+1 ends Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt commences Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt ends	%	Forecast RPI - see input sheet for description of source NOT USED FOR RECONCILIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCILIATION Forecast RPI - see input sheet for description of source								4.1%
Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the	96	NOT USED FOR RECONCILIATION Calculated with reference to the index values for March and September to capture April to September inflation (see detailed modelling								
period April to September in the calendar year in which Charging Year Yt-1 commenced Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the	N	assumptions in "Statement of calculation 2021") NEW ROW ADDED FOR RECONCILIATION Calculated with reference to the index								
period April to September in the calendar year in which Charging Year Yt commenced Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the	70	values for March and September to capture April to September inflation (see "Statement of Calculation 2021") NEW ROW ADDED FOR RECONCILIATION Calculated with reference to the index								
period April to September in the calendar year in which Charging Year Yt+1 commenced	%	values for March and September to capture April to September inflation (see "Statement of calculation 2018")								3.9%
Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt-1 commenced Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt-1 ends	96 96	NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATIONForecast RPI - see input sheet for description of source								
Base RPI Charging Year Yi-2, or where this is on or before Base RPI Index year, 2014/15 Charging Year Yi-1 Charging Year Yi		Year average RPI for 2014/15, used as base year RPI Year average RPI for Charging year 7-2 (or 2014/15 where this is later) NEW ROW ADDED FOR RECONCLUATION Year average RPI for Charging Year 1- NEW ROW ADDED FOR RECONCLUATION Year average RPI for Charging Year 1								256.7 283.3 290.6 294.2
1.1 (i) 1.1 (ii) 1.1 (iii) 1.1 (iv)		Factor used to adjust prices from Charging Year T+1 to Charging Year T CALCULATION ALTERED FOR RECONCULATION Factor used to adjust prices from Charging Year T to CALCULATION ALTERED FOR RECONCULATION Factor used to adjust prices from Charging Year T-1 Factor used to adjust prices from Charging Year T-2 to Base RPI Index year	Charging Year T-1 to Charging Year T-2							1.06 1.01 1.03 1.10
RPI Adjustment Factor Charging Year T+1		Combines factors (i), (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T+1 to 2014/15 price base.								1.21
RPI Adjustment Factor Charging Year T		Combines factors (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T to 2014/15 price base.								1.15
RPI Adjustment Factor Charging Year T-1		Combines factors (iii) and (iiv) above to calculate factor used to adjust prices from Charging Year T-1 to 2014/15 price base.								1.13
RPI Adjustment Factor Charging Year T-2		Charging from (+) to 2014 12 pince base. Equal to factor (iv) above - used to adjust prices from Charging Year T-2 to 2014/15 price base.								1.10
Applicable Change in Revenue RPI		RPI in November of previous Charging Year relative to 2014/15 base year RPI in November of Charminn Year T-1	0.96	0.98	1.01	1.01	1.03	1.07 275.8	1.11	1.13
RPIt RPIbase (Base RPI Index)		RPI in November of Charging Year T-1 Average RPI for 2014/15	245.6 256.7	252.1 256.7	259.8 256.7	259.8 256.7	265.5 256.7	275.8 256.7	284.6 256.7	291.0 256.7
A.1. Allowed Revenue	£	Total Allowed Revenue calculated as the total of the building blocks below, in accordance with Project Licence, Appendix 1, 1.4. See Statement of calculation 2020 for further detail.								73,512,925
A.3. Return on Capital	£	The Return on Capital building block allows the IP to earn a return on capital in relation to the forecast average RCV in the Charging Year in question. See Project Licence, Appendix 1, Part A 3								64,009,807
Ofwat Stated RCV for Yt-2	£, 2014/15 prices	RCV at the end of Charging Year T-2 as published by Ofwat by 1 September following the end of the Charging Year								1,490,337,315
OPRCV YI-1 2014/15 RPI Adjustment Factor YI-1	£, 2014/15 prices	Opening RCV for Charging Year T-1.								1,490,337,315
Annual Actual Project Spend Yt-1 Estimated Allowable Project Spend Yt-1	£, 2014/15 prices £, 2014/15 prices	Scalar to adjust forecast costs for Charging Year T-1 to 2014/15 price base Allowable Project Spend (verified by the ITA) incurred in Charging Year T-1 Allowable Project Spend (not verified by the ITA) incurred in Charging Year T-1								1.13 534,150,162 -
Forecast Allowable Project Spend Yt-1 OPRCV Yt	£, 2014/15 prices £, 2014/15 prices	Allowabile Project Spend forecast to be incurred in Charging Year T-1 Opening RCV for Charging Year T - the sum of opening RCV for Charging year T-1 and al Allowabie Project Spend in that year								0 2,024,487,477
2014/15 RPI Adjustment Factor Yt Annual Actual Preject Spend Yt Estimated Allowable Project Spend Yt	£, 2014/15 prices £, 2014/15 prices	Scalar to adjust forecast costs for Charging Year T to 2014/15 price base Allowable Project Spend (verified by the TA) incurred in Charging Year T Allowable Project Spend (not verified by the ITA) incurred in Charging Year T								1.15 473,065,584
Eaunated Allowable Project Spend Yt Forecast Allowable Project Spend Yt CPRCV Yt	£, 2014/15 prices £, 2014/15 prices	Allowable Project Spend forecast to be incurred in Charging Year T Closing RCV for Charging Year T - the sum of opening RCV for Charging Year T and all								2,497,553,061
YARCV YI	£, 2014/15 prices	Allowable Project Spend in that year Year average RCV for Charging Year T								2,261,020,269
		The Liquidity building block allows the IP a liquidity allowance (return on capital) in relation								
A.4. Liquidity	£	to the incremental average RCV in the year following the Charging Year in question. See Project Licence, Appendix 1, Part A 4								12,764,745
OPRCV Y+1 2014/15 RPI Adjustment Factor Y+1 Annual Actual Project Spend Y+1 Estimated AdvanceB Project Spend Y+1 Forecast Allowable Project Spend for year t+1 CPRCV Y+1	£, 2014/15 prices £, 2014/15 prices £, 2014/15 prices £, 2014/15 prices £, 2014/15 prices £, 2014/15 prices £, 2014/15 prices	Opening RCV for Charging Year T+1 Scalar to adult of foreast costs for Charging Year T+1 to 2014/15 price base NEW RCW ADDED FOR RECONCLIATION Allowable Project Spanel (vertified by the ITA) incurred in Ch NEW RCW ADDED FOR RECONCLIATION Allowable Project Spanel (not vertified by the ITA) incurred in Allowable Project Spand Stracast to be incurred in Charging Year T+1 Cosing RCV for Charging Year T+1	arging Year T+1 I Charging Year T+1							2,497,553,061 1,21 217,795,343 0 210,917,999 2,926,266,403
FYARCV Yt+1	£, 2014/15 prices	Average RCV for Charging Year T+1								2,711,909,732
A.5. Opex		In line with the Project Licence, the Opex building block is zero as all costs are accounted for as capital expenditure. See Project Licence, Appendix 1, Part A 5								0
A.6. Financing Cost Adjustment building block		The Financing Cost Adjustment building block is intended to protect against movements in the market cost of debt, by comparing a measure of financing costs at an annual				[		461,614	-1,047,473	-3,261,627
Financing Cost Adjustment Yt		reference point to a base reference point of March 2015. See Project Licence, Appendix 1, Part A 6		Г	0	0	0	461,614	-1,509,088	
Financing Cost Adjustment Index Yield	%	See Project Licence Appendix 1, Part A 6.3		1.30%	1.43%	0.35%	0.01%	0.23%		
Base Reference Point (BRP)	%	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March 2015			1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Annual Reference Point (ARP) BRP-ABP	%	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March of Charging Year Yt-2 Difference between BRP and ARP			1.30%	1.30%	1.43% -0.13%	0.35%	0.01%	0.23%
Brdr-ABP Market Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign)	%	Lutterance between Byrer and Arter See Project Licence Appendix 1 Part A 6.7 See Project Licence Appendix 1 Part A 6.7		-	0.00%	0.00%	-0.13% 0.00% 0.00%	0.95% 0.22% -0.22%	0.54% -0.54%	0.32%
Net Debt in Charging Year Yt-2	£, current prices (March of Charging Year T-2)	Net best at the end of charging real 1-2 as defined in Froject Licence Appendix 1, 1.41			0	0	-130,376,913	-315,869,558	-67,048,664	556,634,438
Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-2 Notional Debt to RCV Ratio	£, current prices (March of Charging Year T-2) %	RCV at the end of Charging Year T-2 in then current prices As defined in Project Licence Appendix 1, 1.42			0 62.5%	0 62.5%	151,310,515 62.5%	502,087,458 62.5%	1,043,425,953 62.5%	
Notional Net Debt in Charging Year Yt-2	£, current prices (March of Charging Year T-2)	RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A			0	0	94,569,072	313,804,661	652,141,221	
Net Debt in Charging Year Yt-3 Mates Seminer Bendeline Authority Adjusted PCV (Current Brians) in Charging Year Vt 3	£, current prices (March of Charging Year T-3) £, current prices (March of	Net Debt at the end of Charging Year T-3 as defined in Project Licence Appendix 1, 1.41			0	0	0	-130,376,913	-315,869,558	
Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-3 Notional Debt to RCV Ratio	%	RCV at the end of Charging Year T-3 in then current prices As defined in Project Licence Appendix 1, 1.42 RCV multipled by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A		F	0 62.5%	0 62.5%	0 62.5%	151,310,515 62.5%	502,087,458 62.5%	62.5%
Notional Net Debt in Charging Year Yt-3 Applicable Change in Revenue RPI for Charging Year Yt	Charging Year T-3)	6.9 Revenues by Notional Debit to RCV ratio. See Project Dicence Appendix 1 Part A			0	0	1.03	94,569,072	313,804,661	652,141,221 1,13
Applicable Change in Revenue RPI for Charging Year Yt Applicable Change in Revenue RPI for Charging Year Yt-2					0.96	0.98	1.03	1.07	1.03	
A.1.4. Tax	£	In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax See Project Licence Appendix 1, Part A 1.4								0
A.7. Under/Over Recovered Revenue Adjustment	£	REMOVED FROM THIS RECONCULATION SHEET AS RECONCLED SEPARATELY, AS UNDERPOVER RECOVERDE REVENUE IN RELATION TO ALL APPLICABLE CHARGING YEARS IS RECONCILED IN CALCULATION 2020. The revenue adjustment building block is to reconcile for under/over recovered Allowed Revenue in previous Charging Years. See Project Licence, Appendix 1, Part A.7								
Allowed Revenue		Changing Yeara were roget Lowitor, roppentaxi, rain Fr.F. Alowed Revenue as submitted in 2015, 2016 and 2017 Updated revised Revenue Statement Amount collected by Tharnes Water and received by Tideway in respect of 2016/17,								
Amount recovered in respect of Allowed Revenue (to end of September 2019)		2017/18 and 2018/19 Allowed Revenue, prior to the end of September 2019. Amount collected by Thames Water and received by Tideway in respect of 2016/17 and								
Amount recovered in respect of Allowed Revenue (to end of September 2018)	£	2017/18 Allowed Revenue, prior to the end of October 2018. The cut-off is the same as that used for the 2018 Revenue Statement ensuring that the amounts received are treated consistently between Revenue Statements.								
Applicable Change in Revenue RPI		RPI in November of previous Charging Year relative to 2014/15 base year Represents the number of years of NPV adjustment required - two years for a Charging								
Years of NPV adjustment		Year being reconciled for the first time, and one year to reconcile further amounts received in respect of Charging Years already reconciled. See "Statement of Calculation 2020"								
Amounts in respect of prior Charging Years not yet reconciled (unadjusted)		Further amounts received in respect of Charging Years that have already been reconciled.								
Reconciliation amounts - Charging Year T-2 (unadjusted)		Theoremeet. Difference between Allowed Revenue for a Charging Year and the amount collected by Thames Water and received by Tideway in respect of that Allowed Revenue.								
Reconciliation amounts (NPV-adjusted)		Reconciliation amount as calculated above. NPV-adjusted for the delay between the original Charging Year and the year of reconciliation using the BWACC and Applicable Change in Revenue RPI.								
A.8. Reconciliation adjustment	c	REMOVED FROM THIS RECONCILATION SHEET AS RECONCILED SEPARATELY IN BBRA CALCULATION Reconciliation for updated expenditure and inflation data to reflect								
		BBYA CALCULATION Reconculation for updated expenditure and immaion data to reflect realised actualis and updated forecasts. See Project Licence, Appendix 1, Part A 8 Revenue for a given Charging Year is subject to building block reconciliation adjustment								
Reconcile this year?	n/a	revenue for a giver Unarging rear is sugect to Juang Dioto reconcilation situation where estimated or forecast expenditure or inflation inputs were used the last time that year's revenue was calculated. Defined as follows: 1 = yes, 0 = no Represents the number of vecens since revenue was first calculated to feed into the NPV								
Time since original calculation	years	adjustment of the reconciliation adjustment.								
		Allowed Revenue recalculated using updated expenditure and inflation data. Excludes								

Allowed Revenue (as at October 2021)	£	Allowed Revenue recalculated using updated expenditure and inflation data. Excludes the under/over recovered revenue adjustment and the reconciliation adjustment building blocks, as these building blocks are not subject to reconciliation. See BBRA Calculation 2018, BBRA Calculation 2019 and BBRA Calculation 2020.
Allowed Revenue (as at October 2020)	£	Allowed Revenue as submitted in 2019 updated revised Revenue Statement. Excludes the under/over recovered revenue adjustment and the reconciliation adjustment building blocks, as these building blocks are not subject to reconciliation.
Applicable Change in Revenue RPI (year in which original calculation was made) Applicable Change in Revenue RPI (current vear)		
Reconciliation amounts (unadjusted)	£	Adjustment calculated as difference between updated calculation and previous year's calculation, prior to NPV adjustment.
Reconciliation amounts (NPV-adjusted)	£	Adjustment calculated as difference between updated calculation and previous year's calculation, post NPV-adjustment using BWACC and Applicable Change in Revenue RPI.
A.11. Additional Return on Capital Building Block	£	Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11
A.11. Additional Liquidity Building Block	£	Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturm). See Project Licence, Appendix 1, Part A 11

### BBRA Inputs 2018

	BBRA Inputs 2018										
	Unit	Source/notes	2012/13	2013/14		First Charging Year 2015/16	Second charging year 2016/17 01/04/2016	Third Charging Year 2017/18 01/04/2017	Fourth Charging Year	Fifth Charging Year 2019/20 01/04/2019	Sixth Charging Year 2020/21 01/04/20
Year starts Year ends Year I-2 Year I-1 Year I						01/04/2015 31/03/2016 2013/14 2014/15 2015/16	31/03/2017 2014/15 2015/16 2016/17	31/03/2017 31/03/2018 2015/16 2016/17 2017/18	31/03/2019 2016/17 2017/18 2018/19	01/04/2019 31/03/2020 2017/18 2018/19 2019/20	2018/1 2019/2 2020/2
Year t+1 Year t+2						2016/17 2017/18	2017/18 2018/19	2018/19 2019/20	2019/20 2020/21	2020/21 2021/22	2021/2 2022/2
1.1 2014/15 RPI Adjustment Factor		Source: Average independent new forecasts for PDI. Table M2. "Someasts for the UK appropriate a comparison of	£								
Forecast RPI Adjustment Factor for the calendar year in which Charging Year commences	%	Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison of independent forecasts", HM Treasury, Aug 2021 Required by Project Licence Appendix 1, 11 (i), (ii), (iii) Source: Average independent new forecasts for RPI, Table M3, "Forecasts for the UK economy: a comparison of									
Forecast RPI Adjustment Factor for the calendar year in which Charging Year ends	%	Geleber And Egy and Andreas			[]		1				
RPI, September of Charging Year		Statistics. Statistics. Source: RPI (All Items) index, Consumer Price Inflation Tables, Table 36, 20 October 2021, Office for National			257.6	259.6	264.9	275.1	284.1	291.0	
RPI, March of Charging Year		Guide: To Typi news index consumer the minuter funce, funce 50, 20 October 2027, Once for Halonia Required by Project Licence Appendix 1, 1.1 (iii)		254.8	257.1	261.1	269.3	278.3	285.1	292.	6
Applicable Change in Revenue RPI		Source: RPI (All Items) index; Consumer Price Inflation Reference Tables, Table 36, 20 October 2021, Office for									
RPIt (RPI for November in Charging Year Yt-1)		National Statistics. Estimated for November 2021 based on September 2021 RPI and Forecast RPI Adjustment Factor for 2021 Required by Project Licence Appendix 1, Part A 3, 4 and 6 Note: for both First and Second Charging years, stated RPI is for November 2015, as Allowed Revenue for both these years is being calculated together		245.	6 252.1	259.8	259.8	265.5	275.8	284.	6
Year average RPI		tinese years is being calculated togener Source: Calculated from RPI (All Items) index, Consumer Price Inflation Reference Tables, Table 36, 20 Octobel 2021 Office for National Statistics Required by Project Licence Appendix 1, Part A 3, 4 and 6 and Appendix 1, 1.1 (iv)	r		256.7	259.4	265.0	274.9	283.3	290.	6
A.3. Return on Capital and A.4 Liquidity											
Water Services Regulation Authority Stated RCV (2014/15 Prices) at 31 March	2014/15 prices, £	Source: "Copy-of-RCV-Bazalgette-2020-publ.xlsx", https://www.ofwat.gov.uk/publication/regulatory-capital-value bazalgette-tunnel-limited-tideway-2/ Zero prior to licence award Required by Project Licence Appendix 1, Part A 3	S-		0 0	148,741,346	478,533,658	962,316,426			
Allowable Project Spend (actual and forecast) - as at October 2021		UPDATED FOR RECONCILIATION Source: "Allowable Project Spend Verification No. 52", Mott MacDonald:					1				
Annual Actual Project Spend	Outturn prices, £	Thames Tideway ITA Required by Project Licence Appendix 1, Part A 3			0	150,344,662	340,489,147	518,165,900	582,828,772	604,855,68	8 542,1
Estimated Allowable Project Spend	Outturn prices, £	UPDATED FOR RECONCILIATION Source: "Regulation Reporting Sep 21 - updated 121021 for LC reporting" Required by Project Licence Appendix 1, Part A UPDATED FOR RECONCILIATION Source: "2021 Revenue Statement - ITA Q1 2021-22 Expenditure Forecasi			0	0	0	0	0		0
Forecast Allowable Project Spend	Outturn prices, $\boldsymbol{\pounds}$	Review - Rev 001 - Issued" for full-year 2021/22, 2022/23 and 2023/24 forecasts. The 2021/22 figure is net of expenditure adready realised (April to September) Required by Project Licence Appendix 1, Part A 3, 4			0	0	(	0	0		0
Excluded Project Spend	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021".									
Alliance Agreement receipts - expenditure funded by these receipts is treated as Excluded Project Spend and therefore is excluded from the Allowable spend metrics set out above	Outturn prices, ${\bf \hat{t}}$	Data removed as not required for reconciliation purposes. See "Inputs 2021".									
BWACC	%	Source: Project Licence, Appendix 1, 1.18 Required by Project Licence Appendix 1, Part A 3, 4, 6, 7, 8			[	2.497%					
A.5. Opex Opex forecast as at October 2020	Outturn prices, $\mathbf{\hat{t}}$	Note: In line with the Project Licence, zero as all expenditure treated as capex. Required by Project Licence Appendix 1, Part A 5			[	0	(	0	0		0
A.6. Financing Cost Adjustment		Source: "FCA yield calculator.xlsx"					1				
Financing Cost Adjustment Index Yield - 12 months trailing average at 31 March	%	Calculated with reference to IBoxx BBB data from Lloyds Bank and spot implied inflation rates for 10 year maturity from Bank of England Required by Project Licence Appendix 1, Part A 6			1.30%	1.43%	0.35%	0.01%			
Water Services Regulation Authority Adjusted RCV (Current Prices) at 31 March	Year	Required by Hoject Electric Appendix 1, Fair A 5		0	0 0	151,310,515	502,087,458	1,043,425,953			
Net Debt at 31 March	Current prices at 31 March of Charging Year	Source: Prior year Tideway financial statements and Net debt revised.xlsx Required by Project Licence Appendix 1, Part A 6	-	-	-	- 130,376,913	- 315,869,558	- 67,048,664			
Notional Debt to RCV ratio	%	Source: Project Licence Appendix 1, 1.42 Required by Project Licence Appendix 1, Part A 6			62.5%						
A 1.4. Tax											_
Tax as at October 2021	Outturn prices, £	In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax. See Project Licence Appendix 1, Part A 1.4				0	(	0	0		0
A.7. Under/Over Recovered Revenue Adjustment		See Project Licence, Appendix 1, Part A.7									
Allowed Revenue Amount recovered in respect of Allowed Revenue (to end of September 2018)	£ Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021".									
Years of NPV adjustment		Data removed as not required for reconciliation purposes. See "Inputs 2021".									
Amounts received from TWUL in Charging Year (all years of Allowed Revenue)	Outturn prices, £	Data removed as not required for reconciliation purposes. See "Inputs 2021".									
A.8. Reconciliation adjustment Time since original calculation Reconcile this year? Allowed Revenue as per most recently submitted Revenue Statement (excluding building block reconciliation)	Years £	See Project Licence, Appendix 1, Part A 8 Data removed as not required for reconciliation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021". Data removed as not required for reconciliation purposes. See "Inputs 2021".									
A.11. Additional Return on Capital Building Block Additional Allowable Project Spend		Not applicable at present. Inputs to be added if this building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11									
A 1.6.4. Net Present Value Adjustment End of first charging year Licence Award		Last day of the First Charging Year Date of Licence award			[	31/03/2016 24/08/2015	]				

th arging	Seventh Charging	Eighth Charging
r	Year	Year
0/21	2021/22	2022/23
1/04/2020	01/04/2021	01/04/2022
31/03/2021	31/03/2022	31/03/2023
2018/19	2019/20	2020/21
2019/20	2020/21	2021/22
2020/21	2021/22	2022/23
2021/22	2022/23	2023/24
2022/23	2023/24	2024/25
	2.20/	4 106

	3.2%	4.1%
	4.1%	3.5%
294.3	308.6	
296.9		

294.2



### BBRA Calculation 2018

Building Block	Unit	Notes/description	2013/14 2014/15	First Charging Se Year Ye		nrd Charging Year	ourth Charging Year	Fifth Charging Year
Year starts Year ends Year 1-2 Year 1-1 Year 1-1 Year 1-1 Year 1-2				2015/16 01/04/2015 31/03/2016 2013/14 2014/15 2015/16 2016/17 2017/18	2016/17 01/04/2016 31/03/2017 2014/15 2015/16 2016/17 2017/18 2018/19	2017/18 01/04/2017 31/03/2018 2015/16 2015/16 2016/17 2017/18 2018/19 2018/20	2018/19 01/04/2018 31/03/2019 2016/17 2017/18 2018/19 2019/20 2020/21	2019/20 01/04/2019 31/03/2020 2017/18 2018/19 2019/20 2020/21 20221/22
1.1 2014/15 RPI Adjustment Factor (a) for the purposes of calculating Forecast Allowable Project Spend for Charging Year Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+1 commences Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+1 ends Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt+0 commences Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt commences Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt ends	Yt+1, estimated Allowabl % % %	A factor calculated for each Charging Year to express costs associated with that year in a 2014/15 price base. See Project Licence, Appendix 1, 1.1 le Project Spend for the said Charging Year shall be deflated from a price base in Chr NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION Forecast RPI - see input sheet for description of source NOT USED FOR RECONCLIATION FOR RECONCLIA	arging Year Yt+1 to the Bas	e RPI Index year ([2014/1	5]), using an adjustment f	actor derived from multipl	ying the factors set	out in (i), (ii), (iii) ar
Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the perio April to September in the calendar year in which Charging Year Yt-1 commenced Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the perio	76	NOT USED FOR RECONCILIATION Calculated with reference to the index values for March and September to capture April to September inflation (see detailed modelling assumptions in "Statement of calculation 2020" NOT USED FOR RECONCILIATION Calculated with reference to the index values for March and September to capture April to September inflation (see "Statement of						
April to September in the calendar year in which Charging Year Yt commenced Percentage movement in the RPI (All Items) index as published by Office for National Statistics for the perior	rd <sub>%</sub>	Calculation 2020") NOT USED FOR RECONCILIATION Calculated with reference to the index values for March and September to capture April to September inflation (see "Statement of						
April to September in the calendar year in which Charging Year Yi+1 commenced Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yi-1 commenced	%	calculation 2019") NOT USED FOR RECONCILIATION Forecast RPI - see input sheet for description of						
Forecast RPI Adjustment Factor for the calendar year in which Charging Year Yt-1 ends	%	source NOT USED FOR RECONCILIATION Forecast RPI - see input sheet for description of source						
Base RPI Charging Year Yt-2, or where this is on or before Base RPI Index year, 2014/15 Charging Year Yt-1 Charging Year Yt Charging Year Yt+1		Year average RPI for 2014/15, used as base year RPI Year average RPI for Charging year T-2 (or 2014/15 where this is later) NEW ROW ADDED FOR RECONCILATION Year average RPI for Charging Year t-1 NEW ROW ADDED FOR RECONCILIATION Year average RPI for Charging Year t						256.7 274.9 283.3 290.6 294.2
1.1 (i) 1.1 (ii) 1.1 (iii) 1.1 (iv)		CALCULATION ALTERED FOR RECONCILATION Factor used to adjust prices from Charging Yes CALCULATION ALTERED FOR RECONCILATION Factor used to adjust prices from Charging Yes CALCULATION ALTERED FOR RECONCILATION Factor used to adjust prices from Charging Yes Factor used to adjust prices from Charging Year 7-2 to Base RPI index year	ar T to Charging Year T-1					1.01 1.03 1.03 1.07
RPI Adjustment Factor Charging Year T+1		Combines factors (i), (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T+1 to 2014/15 price base.						1.15
RPI Adjustment Factor Charging Year T		Combines factors (ii), (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T to 2014/15 price base.						1.13
RPI Adjustment Factor Charging Year T-1		Combines factors (iii) and (iv) above to calculate factor used to adjust prices from Charging Year T-1 to 2014/15 price base. Equal to factor (vi) above - used to adjust prices from Charging Year T-2 to 2014/15 price						1.10
RPI Adjustment Factor Charging Year T-2		Equal to racial (in) above - used to adjust prices iron charging real 1-2 to 2014 to price base.						1.07
Applicable Change in Revenue RPI RPIt RPIbase (Base RPI Index)		RPI in November of previous Charging Year relative to 2014/15 base year RPI in November of Charging Year T-1 Average RPI for 2014/15	0.96         0.98           245.6         252.1           256.7         256.7	1.01 259.8 256.7	1.01 259.8 256.7	1.03 265.5 256.7	1.07 275.8 256.7	1.11 284.6 256.7
A.1. Allowed Revenue	£	Total Allowed Revenue calculated as the total of the building blocks below, in accordance with Project Licence, Appendix 1, 1.4. See Statement of calculation 2020 for further detail.						61,554,558
A.3. Return on Capital	£	The Return on Capital building block allows the IP to earn a return on capital in relation to the forecast average RCV in the Charging Year in question. See Project Licence, Appendix 1, Part A 3						48,658,381
Ofwat Stated RCV for YI-2	£, 2014/15 prices	RCV at the end of Charging Year T-2 as published by Ofwat by 1 September following the end of the Charging Year						962,316,426
OPRCV Yt-1 2014/15 RPI Adjustment Factor Yt-1 Annual Actual Project Spend Yt-1	£, 2014/15 prices £, 2014/15 prices	Opening RCV for Charaing Year 7-1. Scalar to adjust forecast costs for Charging Year 7-1 to 2014/15 price base Allowable Project Spand (varified by the ITA) incurred in Charging Year 7-1						962,316,426 1.10 528,020,889
Estimated Allowable Project Spend Yt-1 Forecast Allowable Project Spend Yt-1 OPRCV Yh	£, 2014/15 prices £, 2014/15 prices	Allowable Project Spend (not verified by the ITA) incurred in Charging Year T-1 Allowable Project Spend forecast to be incurred in Charging Year T-1 Opening RCV for Charging Year T-1 the sum of opening RCV for Charging year T-1 and						0 0 1,490,337,315
OFRCV Y1 2014/15 RPI Adjustment Factor Y1 Annual Actual Project Spend Y1	£, 2014/15 prices £, 2014/15 prices	all Allowable Project Spend in that year Scalar to adjust forecast costs for Charging Year T to 2014/15 price base Allowable Project Spend (verified by the ITA) incurred in Charcing Year T						1,490,337,315 1.13 534,150,162
Estimated Allowable Project Spend Yt Forecast Allowable Project Spend Yt	£, 2014/15 prices £, 2014/15 prices	Allowable Project Spend (not verified by the TA) incurred in Charging Year T Allowable Project Spend forecast to be incurred in Charging Year T						0
CPRCV Yt	£, 2014/15 prices	Closing RCV for Charging Year T - the sum of opening RCV for Charging Year T and all Allowable Project Spend in that year						2,024,487,477
YARCV YI	£, 2014/15 prices	Year average RCV for Charging Year T The Liquidity building block allows the IP a liquidity allowance (return on capital) in						1,757,412,396
A.4. Liquidity	£	relation to the incremental average RCV in the year following the Charging Year in question. See Project Licence, Appendix 1, Part A 4						13,943,650
OPRCV Yt+1 2014/15 RPI Adjustment Factor Yt+1 Annual Actual Project Spend for year Yt+1	£, 2014/15 prices £, 2014/15 prices	Opening RCV for Charging Year T+1 Scalar to adjust forecast costs for Charging Year T+1 to 2014/15 price base NEW ROW ADDED FOR RECONCILLATION Allowable Project Spand (verified by the ITA) incurred	l in Charging Year T+1					2,024,487,477 1.15 473,065,584.06
Estimated Allowable Project Spend for year Yt+1 Forecast Allowable Project Spend for year t+1 CPRCV Yt+1	£, 2014/15 prices £, 2014/15 prices £, 2014/15 prices	NEW ROW ADDED FOR RECONCILIATION Allowable Project Spend (not verified by the ITA) incu Allowable Project Spend forecast to be incurred in Charging Year T+1 Closing RCV for Charging Year T+1	rred in Charging Year T+1					0.00 0 2,497,553,061
FYARCV YI+1	£, 2014/15 prices	Average RCV for Charging Year T+1						2,261,020,269
A.5. Opex		In line with the Project Licence, the Opex building block is zero as all costs are accounted for as capital expenditure. See Project Licence, Appendix 1, Part A 5						0
		The Financing Cost Adjustment building block is intended to protect against movements in the market cost of debt. by comparing a measure of financing costs at an annual						
A.6. Financing Cost Adjustment building block Financing Cost Adjustment Yt		In the market cost of debt, by comparing a measure or marking costs at an annual reference point to a base reference point of March 2015. See Project Licence, Appendix 1, Part A 6				0	461,614	-1,047,473 -1,509,088
Financing Cost Adjustment Index Yield	%	See Project Licence Appendix 1, Part A 6.3	1.30%	1.43%	0.35%	0.01%	401,014	-1,003,000
Base Reference Point (BRP)	%	The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as		1.30%	1.30%	1.30%	1.30%	1.30%
Annual Reference Point (ARP)	%	at 31 March 2015 The historic 12 months' trailing average of the Financing Cost Adjustment Index Yield as at 31 March of Charging Year Yt-2		1.30%	1.30%	1.43%	0.35%	0.01%
BRP-ABP Market Cost of Debt Adjustment Factor (absolute) Market Cost of Debt Adjustment Factor (corrected sign)	% %	Difference between BRP and ARP See Project Licence Appendix 1 Part A 6.7 See Project Licence Appendix 1 Part A 6.7		0.0% 0.0% 0.0%	0.0% 0.0% 0.0%	-0.1% 0.0% 0.0%	0.9% 0.22% -0.2%	1.3% 0.54% -0.5%
Net Debt in Charging Year YI-2	£, current prices (March of Charging Year T-2)	Net Debt at the end of Charging Year T-2 as defined in Project Licence Appendix 1, 1.41		0	0	-130,376,913	-315,869,558	-67,048,664
Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-2 Notional Debt to RCV Ratio	£, current prices (March of Charging Year T-2)	RCV at the end of Charging Year T-2 in then current prices As defined in Project Licence Appendix 1, 1.42		0 62.5%	0 62.5%	151,310,515 62.5%	502,087,458 62.5%	1,043,425,953 62.5%
Notional Left to KCV Kato Notional Net Debt in Charging Year Yt-2	€, current prices (March of Charging Year T-2)	As defined in Project Licence Appendix 1, 1.42 RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A 6.9		0	0	94,569,072	313,804,661	652,141,221
Net Debt in Charging Year YI-3	£, current prices (March of Charging Year T-3)	Net Debt at the end of Charging Year 1-3 as defined in Project Licence Appendix 1, 1.41		0	0	0	-130,376,913	
Water Services Regulation Authority Adjusted RCV (Current Prices) in Charging Year Yt-3 Notional Debt to RCV Ratio	£, current prices (March of Charging Year T-3) %	As defined in Project Licence Appendix 1, 1.42		0 62.5%	0 62.5%	0 62.5%	151,310,515 62.5%	502,087,458 62.5%
Notional Net Debt in Charging Year Yt-3	£, current prices (March of Charging Year T-3)	RCV multiplied by Notional Debt to RCV ratio. See Project Licence Appendix 1 Part A     6.9		0	0	0	94,569,072	313,804,661
Applicable Change in Revenue RPI for Charging Year Yt Applicable Change in Revenue RPI for Charging Year Yt-2		In line with the Project Licence, zero as the IP is not required to pay corporation tax or any		1.01 0.96	1.01 0.98	1.03 1.01	1.07 1.01	1.11 1.03
A.1.4. Tax	£	In line with the Project Licence, zero as the IP is not required to pay corporation tax or any other income-based tax See Project Licence Appendix 1, Part A 1.4 REMOVED FROM THIS RECONCILIATION SHEET AS RECONCILED SEPARATELY.						0
A.7. Under/Over Recovered Revenue Adjustment	£	A EMOVED FROM THIS RECURVELIATION SHEET AS RECONCLED SEFARATELT, AS UNDERVOYER RECOVERD REVENUE IN RELATION TO ALL APPLICABLE CHARGING YEARS IS RECONCILED IN CALCULATION 2020. The revenue adjustment building block is to reconcile for under/over recovered Allowed Revenue in previous Charging Years. See Project Learne, Appendix 1, Part A.7						

A.7. Under/Over Recovered Revenue Adjustment Allowed Revenue Amount recovered in respect of Allowed Revenue (to end of September 2018) Amount recovered in respect of Allowed Revenue (to end of September 2017) Applicable Change in Revenue RPI Years of NPV adjustment	2 £	AS UNDERVOLER RECOVERED FE CHARGING YEARS IS RECONCILEL The revenue adjustment building block Revenue in previous Charging Years. See Project Licence, Appendix 1, Part Allowed Revenue, a submitted in 201 Amount collected by Thames Water at Allowed Revenue, prior to the Amount collected by Thames Water at Allowed Revenue, prior to the Amount collected by Thames Water at Allowed Revenue, prior to the Amount collected by Thames Water at Allowed Revenue, prior to the Amount collected by Thames Water at Allowed Revenue, prior to the end of S Part November of previous Charging Represents the number of years of IV set a being recoulded for the first time, received in respect of Charging Years 2016"
Amounts in respect of prior Charging Years not yet reconciled (unadjusted) Reconciliation amounts - Charging Year T-2 (unadjusted)		Further amounts received in respect or reconciled. Difference between Allowed Revenue Thames Water and received by Tidew.
Reconciliation amounts (NPV-adjusted) Allowed Revenue Amount recovered in respect of Allowed Revenue (to end of September 2018)	£	Reconciliation amount as calculated an original Charging Year and the year of Change in Revenue RPI. Allowed Revenue as submitted in 2011 Amount collected by Thames Water ar 2017/18 Allowed Revenue, prior to the
Amount recovered in respect of Allowed Revenue (to end of September 2017) Applicable Change in Revenue RPI Years of NPV adjustment	2	Amount collected by Thames Water an Allowed Revenue, prior to the end of S PPI in November of previous Charging Represents the number of years of NP Year being reconciled for the first time, received in respect of Charging Years 2018"
Amounts in respect of prior Charging Years not yet reconciled (unadjusted) Reconciliation amounts - Charging Year T-2 (unadjusted)		Further amounts received in respect or reconciled. Difference between Allowed Revenue Thames Water and received by Tidew
Reconciliation amounts (NPV-adjusted) A.8. Reconciliation adjustment	£	Reconciliation amount as calculated a original Charging Year and the year of Charge in Revenue RPI. REMOVED FROM THIS RECONCLU IN BBRA CALCULATION 2016 Recon to reflect realised actuals and updated A 8

Novenue in previous charging reals.
See Project Licence, Appendix 1, Part A.7
Allowed Revenue as submitted in 2016 updated revised Revenue Statement
Amount collected by Thames Water and received by Tideway in respect of 2016/17 and 2017/18 Allowed Revenue, prior to the end of September 2018.
Amount collected by Thames Water and received by Tideway in respect of 2016/17 Allowed Revenue, prior to the end of September 2017.
RPI in November of previous Charging Year relative to 2014/15 base year
Represents the number of vears of NPV adjustment required - two vears for a Charging
Year being reconciled for the first time, and one year to reconcile further amounts received in respect of Charging Years already reconciled. See "Statement of Calculation
2018"
Further amounts received in respect of Charging Years that have already been reconciled.
Difference between Allowed Revenue for a Charging Year and the amount collected by Thames Water and received by Tideway in respect of that Allowed Revenue.
Reconciliation amount as calculated above, NPV-adjusted for the delay between the original Charging Year and the year of reconciliation using the BWACC and Applicable Chance in Revenue RPI.
Allowed Revenue as submitted in 2016 updated revised Revenue Statement
Amount collected by Thames Water and received by Tideway in respect of 2016/17 and 2017/18 Allowed Revenue, prior to the end of September 2018.
Amount collected by Thames Water and received by Tideway in respect of 2016/17 Allowed Revenue, prior to the end of September 2017.
RPI in November of previous Charging Year relative to 2014/15 base year
Represents the number of years of NPV adjustment required - two years for a Charging Year being reconciled for the first time, and one year to reconcile further amounts
received in respect of Charging Years already reconciled. See "Statement of Calculation 2018"
Further amounts received in respect of Charging Years that have already been
reconciled.
Difference between Allowed Revenue for a Charging Year and the amount collected by Thames Water and received by Tideway in respect of that Allowed Revenue.
Reconciliation amount as calculated above, NPV-adjusted for the delay between the original Charging Year and the year of reconciliation using the BWACC and Applicable
Change in Revenue RPI.
REMOVED FROM THIS RECONCILIATION SHEET AS RECONCILED SEPARATELY IN BBRA CALCULATION 2016 Reconciliation for updated expenditure and inflation data
to reflect realised actuals and updated forecasts. See Project Licence, Appendix 1, Part

Reconcile this year?	n/a	Revenue for a given Charging Year is subject to building bloch where estimated or forecast expenditure or inflation inputs wer year's revenue was calculated. Defined as follows: 1 = yes, 0:
Time since original calculation	years	Represents the number of years since revenue was first calcul adjustment of the reconciliation adjustment.
Allowed Revenue (as at October 2018)	£	Allowed Revenue recalculated using updated expenditure and the under/over recovered revenue adjustment and the reconci blocks, as these building blocks are not subject to reconciliatio 2018, BBRA Calculation 2019 and BBRA Calculation 2020.
Allowed Revenue (as at October 2017)	£	Allowed Revenue as submitted in 2017 updated revised Reve the under/over recovered revenue adjustment and the reconci blocks, as these building blocks are not subject to reconciliatio
Applicable Change in Revenue RPI (year in which original calculation was made) Applicable Change in Revenue RPI (current year)		
Reconciliation amounts (unadjusted)	£	Adjustment calculated as difference between updated calculat calculation, prior to NPV adjustment.
Reconciliation amounts (NPV-adjusted)	£	Adjustment calculated as difference between updated calculat calculation, post NPV-adjustment using BWACC and Applicab
A.11. Additional Return on Capital Building Block	£	Not applicable. To be added to calculation if building block be Tideway makes an IAR Overrun Application to increase Allow the Threshold Outturn). See Project Licence, Appendix 1, Par

A.11. Additional Liquidity Building Block

olock reconciliation adjustment were used the last time that s, 0= no alculated to feed into the NPV and inflation data. Excludes onciliation adjustment building liation. See BBRA Calculation 0. evenue Statement. Excludes pnciliation adjustment building liation. culation and previous year's

culation and previous year's licable Change in Revenue RPI.

Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11

Not applicable. To be added to calculation if building block becomes relevant (i.e. if Tideway makes an IAR Overrun Application to increase Allowable Project Spend above the Threshold Outturn). See Project Licence, Appendix 1, Part A 11 £