

UK RP3 CAA Decision Document – RAB Rules Working Paper

CAP 1830b

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Introduction

1. In our draft proposals for RP3, we said we would work with NERL to check and, where necessary, improve the documentation around the regulatory asset base (RAB) calculations ahead of our final decision.
2. We have worked with our advisors and NERL to update the rules that we and NERL should use in RP3 to calculate the RAB for UKATS, Oceanic and London Approach.
3. The main changes to the existing RP2 RAB rules are:
 - as the RAB is inflated by RPI and revenues are inflated by CPI each year, differences between the actual wedge between RPI and CPI inflation measures and the forecast wedge in our final decision would lead to differences in depreciation and allowed returns recovered through revenues. We propose to true up for these differences in the RAB in the updated RP3 rules, to be recovered through revenue in RP4 and beyond;
 - we have adjusted the opening UKATS RAB in 2020 to correct for two errors we identified in previous RAB calculations, reducing the opening RAB by around £3.6 million in outturn prices. These adjustments have been discussed with NERL; and
 - we have included new sections in the RAB rules for calculation of the RAB for London Approach, for reporting purposes, and operation of the ex-post efficiency incentive, information incentive and delivery incentive set out in our final decision.
4. We have also included additional descriptions of the terms and adjustments used to calculate the RAB, following stakeholder feedback that the calculation of the RAB was not sufficiently transparent.
5. This is a working draft of the RAB rules for RP3. We welcome any comments from stakeholders and will work with NERL to finalise these RAB rules before the start of RP3. For example, we will need to clarify with NERL:
 - the appropriate price base (RPI or CPI-based) for UKATS and Oceanic net capex for the RPI-CPI wedge adjustment;
 - the appropriate RP2 estimated spectrum cost variance when expressed in 2017 CPI prices;
 - our calculations for the RP3 spectrum cost baseline, for calculation of spectrum cost variances; and

- the definition and calculation of the modelled interest costs for the tax clawback mechanism.
6. For the new RPI-CPI wedge adjustment, described above, we will monitor its calculation during RP3 to ensure it is working as intended, and make any required adjustments to the RAB rules following this review.
 7. We engaged Grant Thornton to provide an independent review of the NERL financial model, including calculation of the RAB to make sure it is consistent with these updated RP3 RAB rules. Grant Thornton did not identify any material outstanding issues with the calculation of the RAB in its review.

Formulae for tracking the regulatory asset base – RP3

Opening RAB derivation and RP3 RAB rules

Section 1: Introduction

8. This document summarises the detail of the formulae which will govern the tracking of the Regulatory Asset Base (RAB) for:
 - UKATS; and
 - Oceanic.
9. These RAB rules are designed to align the UKATS RAB with the basis set out in the European Commission Implementing Regulation (EU) 2019/317, laying down a performance and charging scheme for RP3 (the “RP3 Performance and Charging Regulation”). In order to be consistent with these rules, the RAB will be reported on a calendar year basis. The RAB rules for Oceanic are designed to be consistent with the UKATS rules. The RAB rules are also designed in such a way that they are able to reflect the European Commission methodology regarding costs exempt from cost sharing for the RP2 period (2015 – 2019) and subsequently the RP3 period (2020 – 2024).
10. The Appendix comprises the following sections:
 - Section 2: sets out the approach to inflation which is to be incorporated when calculating the RAB;
 - Section 3: establishes the UKATS RAB for calendar years 2018 and 2019;
 - Section 4: establishes the Oceanic RAB for calendar years 2018 and 2019;
 - Section 5: establishes the approach for rolling the UKATS RAB forward in RP3;
 - Section 6: establishes the approach for rolling the Oceanic RAB forward in RP3;
 - Section 7: summarises the approach to be taken regarding the RP3 Tax Clawback and the baseline assumptions for RP3.
 - Section 8: summarises the approach to be taken for calculating the London Approach RAB in RP3
 - Section 9: captures a “running total” of incentives that could result in adjustment to the UKATS RAB for RP4.

- Annex A: establishes the approach to be taken for calculating the RPI–CPI wedge variance adjustment in RP3.

11. Regulatory accounts should be prepared according to accounting policies that are consistent with the basis of the determination values used in this appendix. Any change in the company's accounting policies for statutory accounts, whether required by new accounting standards or otherwise, that would have a material effect on the amounts used in formulae defined in this appendix should thus be disregarded in the regulatory accounts unless the CAA approves such a change.

Use of formatting in this document

12. Throughout this document, formatting styles are used to denote the following:

Format	Denotation
Bold blue text	Sub-section headers
Bold black text	Headings for the main terms used within the RAB formulae. Each term formatted in this way has a reference (e.g. 3a, 3b etc) and is described within that section.
Bold grey text	Headings for sub-terms used to calculate the main terms within the RAB formulae. Each sub-term is defined underneath the description of the relevant main term.
Text box	Short description of the purpose of an adjustment, how it fits with the overall treatment of the issue, and rationale for adopting such approach to an adjustment.

Abbreviations

Abbreviation	Meaning
CAA	UK Civil Aviation Authority
CPI	Consumer Prices Index
CRCO	Central Route Charges Office
NERL	NATS (En Route) plc
RAB	Regulatory Asset Base

Abbreviation	Meaning
RP2 / RP3 / RP4	Reference Period 2 (2015-19) / Reference Period 3 (2020-24) / Reference Period 4 (2025-29)
RPI	Retail Prices Index
SES	Single European Sky
TSU	En-route total service units
UKATS	UK Air Traffic Services

Glossary

Term	Definition
Calendar Year	The one-year period that begins on 1 January and ends on 31 December.
Capitalised Financing Costs	The price control set by the CAA does not include a return on all the assets in the RAB, e.g. if actual capex is higher than assumed at the time of the price review or if there is a Pension Contribution variance. For the assets on which a return has not been included, the financing costs are capitalised and added to the RAB, to enable NERL to recover them in future years.
Cost of capital	The allowed rate of return on capital (equity and debt) invested in the UKATS and Oceanic asset bases, as determined by the CAA. Often referred to as the Weighted Average Cost of Capital.
Financial Year	The one-year period that begins on 1 April and ends on 31 March.
RPI-CPI Wedge	The difference between RPI and CPI measures of inflation.
RP2 Charging Regulation	Commission Implementing Regulation (EU) 391/2013 laying down a common charging scheme for air navigation services
RP3 Performance and Charging Regulation	Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky for the third reference period of the performance scheme (RP3).
Spectrum Costs	Charges for the use of aeronautical radio spectrum
Tax Clawback	A mechanism in NERL's licence which removes the tax benefit from gearing above 60 per cent.

Section 2: Inflation indices

Description: The retail price index (RPI) is used to convert each year's RAB values into year-end outturn prices. In this way, the RAB reflects the current cost of investment that has not yet been remunerated through user charges. The inflation true up adjustments are achieved through inflating RAB figures each year using actual outturn RPI inflation.

13. Each year, the RAB is expressed in actual calendar year end RPI price levels. The RP3 RAB rules are expressed in fixed 2017 RPI (year-average) price levels. These figures must be uplifted, or indexed, to be converted into outturn price terms for each calendar year as appropriate. The formulae in later sections include the necessary indexation calculations and reference the following definitions for each relevant calendar year (designated as calendar year t):

Calendar year:	2018	2019	2020	2021	2022	2023	2024
Calendar year t:	18	19	20	21	22	23	24

Calendar year indices for RP3 rules:

RPI Growth from 2017 for calendar year t

- = The Retail Prices Index (RPI, CHAW January 1987 = 100) for the last month of the calendar year t, divided by the average of the monthly RPI figures for the calendar year 2017, which is based on the All Items index starting at 100 in Jan 1987 equals 272.4750.

Annual RPI Growth for calendar year t

- = The RPI for the last month of calendar year t, divided by the RPI for the last month of the previous calendar year (year t-1).

Within-year RPI Growth for calendar year t

- = The RPI for the last month of calendar year t, divided by the average of the monthly RPI figures for calendar year t (i.e. January RPI + February RPI + . . . + December RPI, divided by 12).

RPI Growth from 2012/13 for calendar year t

= The RPI for the last month of calendar year t, divided by the average of the monthly RPI figures for financial year 2012/13.

References to outturn prices:

14. Where the document references outturn prices, this will always relate to year-end prices.

Recording of actual inflation indices and the calculation of averages:

15. NERL will record monthly RPI indices to 4 decimal places (e.g. 259.1275) and using these monthly indices will calculate average calendar year indices which will be rounded to four decimal places (e.g. 259.1235).

Units

16. All RAB values are given in £000s unless otherwise stated.

Section 3: Rolling forward the UKATS RAB to 31 December 2019

17. This section describes how the starting value of the UKATS RAB for RP3 will be calculated.
18. First, it establishes the starting point for these calculations i.e. the value of the RAB at the end of the last full calendar year available to CAA at the time of its price control calculations which is 31 December 2017.
19. It then describes how the RAB will be updated for assumed changes in 2018 and 2019. It takes into consideration the net capital expenditure made in UKATS, any Pension Contribution Variances, the movements in working capital (e.g. debtors and creditors) and the allowances for depreciation which have been incorporated in the price control calculations.
20. In this way, the RAB is expected to reflect the value of cash-flow investment made in the assets of the company, net of amounts contributed by customers by way of depreciation allowances.
21. The price control provides for a return on the RAB. Importantly, the value of the return allowed within the price control is based on assumptions for levels of net capital expenditure, and assumptions for the levels of cash pension contributions. CAA intends that variances against these assumptions, and their financing cost implications (consistent with the equivalent formulae existing before this modification), are taken into account by making suitable additions or deductions in the RAB calculations.

Closing RAB for calendar year 2017

22. The RAB at the end of the last full calendar year before CAA's RP3 price control calculations, at 31 December 2017 (expressed as £ 983,681 in 2017 year-end prices), forms the starting point for subsequent RAB calculations.

Closing RAB for calendar year t

23. Thereafter, the closing RAB is to be calculated (in outturn calendar year-end prices), according to the following formulae (where t is the relevant calendar year). Note that explanations are provided for each of the terms in blue text on the following pages of this section.

=		Closing RAB for the previous year (calendar year t-1)

+		Closing RAB for the previous year (calendar year t-1) x ((Annual RPI Growth for calendar year t) – 1)
+	3a	Total Actual Net Capex for calendar year t x Within-year RPI Growth for calendar year t
+	3b	Real Movements in Working Capital for calendar year t
+	3c	Allowed Underlying Depreciation for calendar year t x RPI Growth from 2017 for calendar year t
+	3d	Backlog Adjustments to Allowed Depreciation for calendar year t x RPI Growth from 2017 for calendar year t
+	3e	Regulatory depreciation on RP1 exempt cost pension pass-through adjustment included in RP2 charges for calendar year t x RPI Growth from 2017 for calendar year t
+	3f	Amortisation of the CP3 RIM for calendar year t x RPI Growth from 2017 for calendar year t
+	3g	RP2 Estimated Pension Contribution Variance for calendar year t x RPI Growth from 2017 for calendar year t
+	3h	Actual Pension Contribution Variance for calendar year t
+	3i	RP2 Estimated Capitalised Financing Costs x RPI Growth from 2017 for calendar year t
+	3j	Capitalised Financing Costs for calendar year t

24. Where:

(3a) Total Actual Net Capex for calendar year t

Description: This ensures that the correct amount of capex is added to the RAB, comprising the capex incurred but removing any grants or other contributions that NERL receives, as well as capitalised operating leases, which are remunerated in determined costs through the operating cost building block.

= Additions to UKATS fixed assets in calendar year t (on an accruals basis) from the audited regulatory accounts. Note, this will exclude any additions relating to “Right of Use” assets resulting from capitalisation of operating leases under IFRS 16 (Leases). The regulatory accounting rules and financial reporting standards (i.e. IFRS) are distinct, and this exclusion is noted to ensure that financial reporting standards do not affect the RAB where this would conflict with the intended principles of the regulatory accounts.

- the proceeds of disposals of UKATS fixed assets in calendar year t from the audited regulatory accounts,
- any grants or other contributions (e.g. customer contributions) to UKATS fixed assets for financial year t from the audited regulatory accounts.

Where grants for assets relate to government assistance designed to provide a permanent economic benefit to an entity, and specifically exclude funding which carries an obligation for repayment either to the government or by way of a reduction in charges to customers other than through reduced determined costs. Assistance provided by the Innovation and Networks Executive Agency (INEA) and associated Union assistance programmes such as the Trans-European transport network (TEN-T), Connecting Europe Facility (CEF) and the Cohesion Fund, where funding is to be returned to airline customers via a specific unit rate reduction rather than a lower determined cost would therefore be excluded.

(3b) Real Movements in Working Capital for calendar year t

Description: This adjustment to the RAB is for changes in NERL's capital which is used in its day-to-day activities: i.e. operating liquidity. Similar to net capex, this adjustment excludes specific items such as projects for the Ministry of Defence.

- = **Closing Working Capital for calendar year t** (defined below)
- Closing Working Capital for calendar year t-1 x Annual RPI Growth for calendar year t

Closing Working Capital for calendar year t

- = Net UKATS working capital (in outturn prices) at the end of calendar year t derived from the regulatory accounts excluding any debtor, creditor, accrual, prepayment or other provision in respect of financing (e.g. bank accounts, loans, accrued interest and cash), corporation and deferred tax, distributions and pension pass-through (see below).

For the purpose of this calculation, working capital is defined as debtors and creditors, accruals and prepayments arising from UKATS trading (including transactions in respect of attributable fixed assets).

This also includes any creditor attributable to the FAS Facilitation Fund, and the adjustment to creditors required on the implementation of IFRS 16 (Leases).

This excludes:

- any debtor related to Pension Contribution Variances created by the adoption of the new International Financial Reporting Standard IFRS 15 (Revenue from contracts with customers), as none of the adjustments arising from the adoption of IFRS 15 are reflected in NERL's Regulatory Performance Statements or impact the calculation of Eurocontrol charges; and
- any debtor or creditor relating to customer funded projects which are not included in the UKATS RAB (e.g. MoD customer funded projects).

The regulatory accounting rules and financial reporting standards (i.e. IFRS) are distinct, and these inclusions / exclusions are noted to ensure that financial reporting standards do not affect the RAB where this would conflict with the intended principles of the regulatory accounts.

(3c) Allowed Underlying Depreciation for calendar year t

Description: Depreciation is deducted from the RAB and recovered through the depreciation building block in determined costs (with the exception of pension pass-through depreciation which is recovered separately through user charges). The amount of depreciation is calculated by reference to the average asset life assumptions across NERL's regulated assets. Any variances between the depreciation values fixed at RP2 and the depreciation on actual capex will be adjusted through the backlog adjustment to depreciation described in item (3d).

= The amount in respect of underlying depreciation allowed for in the CAA's price control calculations in the relevant calendar year; figures are fixed at the following values (in 2017 RPI prices):

Calendar year 2018: - £ 168,467

Calendar year 2019: - £ 161,176

The value of regulatory depreciation for 2018 and 2019 will be recalculated when the level of capital expenditure, the value of the defined benefit pension variances and the value of capitalised finance costs are updated to reflect actuals. Any differences will be added to or deducted from RP4 regulatory depreciation as a backlog adjustment.

(3d) Backlog Adjustments to Depreciation for calendar year t

Description: This adjustment reflects the difference between assumed depreciation and depreciation calculated based on actual outturn capex in previous reference periods. This ensures the RAB is adjusted to reflect the backlog depreciation that is recovered through the depreciation building block in determined costs.

= The amount in respect of adjustments to depreciation allowed for in the CAA's price control calculations in the relevant calendar year; figures are fixed at the following values (in 2017 RPI prices, amounts represent a reduction to aggregate allowed depreciation):

Calendar year 2018: £ 3,746

Calendar year 2019: £ 3,751

(3e) Regulatory depreciation on RP1 exempt cost pension pass-through adjustment included in RP2 charges for calendar year t

Description: The methodology for determining exempt costs in relation to pension contributions during RP1 had not been finalised at the time of the CP3 price review. An adjustment was therefore included in the RP2 settlement which will be depreciated over RP2.

The methodology for determining exempt costs in relation to pension contributions during RP1 had not been finalised at the time of the CP3 price review. An adjustment was therefore included in the RP2 settlement which will be depreciated over RP2.

= The amount in respect of RP1 Exempt cost pension pass through regulatory depreciation adjustment included in RP2 charges allowed for in the CAA's price control calculations in the relevant calendar year; figures are fixed at the following values (in 2017 RPI prices):

Calendar year 2018: - £ 1,155

Calendar year 2019: - £ 1,155

(3f) Amortisation of the CP3 RIM for calendar year t

Description: Rolling Incentive Mechanism (RIM) adjustment represents the remuneration that NERL earned for out-performing its operating cost efficiency targets in RP1. The mechanism was discontinued since RP2, and the adjustments below are the last ones to affect NERL's RAB.

= The amount in respect of amortisation of the CP3 RIM allowed for in the CAA's price control calculations in the relevant calendar year; figures are fixed at the following values (in 2017 RPI prices):

Calendar year 2018: - £ 2,443

Calendar year 2019: £ 0

(3g) RP2 Estimated Pension Contribution Variance for calendar year t

Description: The adjustment captures the expected annual difference between actual and assumed defined benefit pension costs that are exempt from cost sharing under the Charging Regulation and are applied to the RAB. These costs are assumed by CAA for 2018 and 2019 for the RP3 final decision.

= The amount of Pension contribution variance relating to Defined Benefit (“DB”) Future Service and Deficit Repair contributions and for the Pension Cash Alternative {including related Employers National Insurance contributions} (“PCA”) for members who have opted out of the DB scheme, following the calculation required for cost exempt reporting, assumed by CAA in respect of 2018 and 2019 and factored into the RP3 settlement (shown in 2017 RPI prices).

This is to be added to the RAB, with figures fixed at the following values:

Calendar year 2018: £ 11,958

Calendar year 2019: £ 17,122

(3h) Actual Pension Contribution Variance for calendar year t

Description: The adjustment captures the actual annual difference between actual and assumed defined benefit pension costs that are exempt from cost sharing under the Charging Regulation. The adjustment is net of the estimated annual difference from 3g.

This adjustment is made to account for 2018 and 2019 actual variance in pension contributions made (as described below).

The calculation basis for the RP2 Pension contribution variance for Defined Benefit Future Service and Deficit Repair contributions and for the Pension Cash Alternative {including related Employers National Insurance contributions} (“PCA”) for members who have opted out of the DB scheme, was determined in Autumn 2015 and is based on the European Commission methodology for the treatment of costs exempt from cost sharing.

For each year of RP2, NERL will report for its UKATS Service line, the annual DB pension costs exempt from cost sharing in tables 10.1 in the row labelled “Unforeseen financial market conditions requiring changes in deficit repair contributions and future service contributions”. For the purposes of these rules this row will be called “Actual pension contribution variance”, and will be added to the RAB in calendar year-end prices.

Article 14.2 of the RP2 Charging Regulation makes provision for the review of “Actual pension contribution variance”, which are included in the CAA’s Annual Assessment report, by the European Commission. Any adjustment to NEERL’s UKATS service line “Actual pension contribution variance”, defined as “Actual pension contribution variance adjustment”, following this review will be added/deducted to/from the RAB in the following period.

This amount needs to be adjusted for any differences between actual value and the estimated values included in the RP3 settlement (see section 3g above) and the cumulative difference will be recovered through charges via regulatory depreciation from RP4 and beyond.

For calendar years 2018 & 2019:

[Actual pension contribution variance (t) + Actual pension contribution variance adjustments (t-1)]

x Annual RPI Growth for calendar year t

Less:

RP2 Estimated Pension contribution variance for calendar year t (3g) x RPI growth from 2017 for calendar year t

Key CAA assumptions used in the Actual pension contribution variance (t) calculation are set out below. Note these are the RP2 CAA assumptions and are stated in 2012 CPI prices:

CAA Assumed pension rate:

Calendar year 2018: 38.46 %

Calendar year 2019: 37.06 %

CAA Assumed Pensionable pay (2012 CPI prices as used in the Cost exempt calculations):

Calendar year 2018: £ 163,340

Calendar year 2019: £ 158,380

(3i) RP2 Estimated Capitalised Financing Costs

Description: Capitalised financing costs, at the allowed cost of capital, are calculated for capex and pension variance adjustments so that the timing of the adjustments is neutral in present value terms. This adjustment represents assumed capitalised financing costs calculated by CAA based on RP2 assumptions.

= The fixed amount of capitalised financing costs calculated by CAA in respect of RP2 based on capital expenditure and pension contribution variance assumptions. These Capitalised Financing Costs have been factored into the RP3 regulatory settlement, and are fixed at the following values (in 2017 RPI prices):

Calendar year 2018: £ 8,838

Calendar year 2019: £ 13,504

(3j) Capitalised Financing Costs for calendar year t

Description: This adjustment represents actual capitalised financing costs, calculated as the differences between the actual capitalised financing cost based on actual capex and pension contribution variances in 2018 and 2019, and the assumed capex and pension contribution variances.

This adjustment calculates the value of the capitalised financing cost which needs to be applied in relation to the net capex and actual pension contribution variances and corrections made in respect of calendar years 2018 and 2019:

= [{ **Net Capex Variance for calendar year t**
 + Actual Pension Contribution Variance for calendar year t (see 3h)
 }, Divided by 2 (two)
 + (**Closing Cumulative Capitalised Variances for calendar year t-1** x
 Annual RPI Growth for calendar year t)]
 x **UKATS cost of capital determined by the CAA for calendar year t**

Where:

Net Capex Variance for calendar year t

= Total Actual Net Capex for calendar year t x Within-year RPI Growth for calendar year t
 – The **CAA's Assumed Net Capex** for calendar year t (see below) x RPI Growth from 2017 for calendar year t, where:

CAA's Assumed Net Capex

= For each calendar year, figures are fixed at the following values (in 2017 RPI prices). The values below have been updated to reflect the net capex assumed by CAA in the RP3 settlement:

Calendar year 2018: £ 167,481

Calendar year 2019: £ 139,410

Closing Cumulative Capitalised Variances calendar year t

The formula below calculates the cumulative value running total of variances between assumptions and actual costs for capital expenditure, and states the closing position as at 31st December 2018 and 31st December 2019. Keeping a running total for these variances is essential to ensure that appropriate adjustments can be made either to reflect additional returns due to NERL or amounts that need to be returned to customers in future periods.

For calendar year 2017 (i.e. year t-1 for the calendar year 2018)

= £ 0 (zero)

Thereafter:

= Closing Cumulative Capitalised Variances for calendar year t-1 x Annual RPI Growth for calendar year t

+ Net Capex Variance for calendar year t

+ Actual Pension Contribution Variance for calendar year t

+ Capitalised Financing Costs for calendar year t

UKATS cost of capital determined by the CAA for calendar year t

= For each calendar year, figures are fixed at the following values:

Calendar year 2018: 5.86 %

Calendar year 2019: 5.86 %

Tracking the RP2 Spectrum cost variance

Description: The adjustment represents costs related to spectrum licence fees that NERL incurs as a result of its procurement of various radio frequency bands. These costs are exempt from cost-sharing under the Charging Regulations. The mechanism below tracks the variance between actual and assumed costs in 2018 and 2019, which will be included in the RAB at the start of RP3.

25. This adjustment is made to account for 2018 and 2019 actual variance in annual Spectrum licences costs which are exempt from cost sharing.
26. The calculation for the RP2 Spectrum contribution variance is based on the European Commission methodology for the treatment of costs exempt from cost sharing. This variance needs to be tracked over the RP2 period and will be included in the RP3 RAB on 1 January 2020 in two places:

27. The **RP2 Estimated Spectrum Cost Variance** assumed by the CAA and factored in to the RP3 settlement (see (5b));
28. The **RP2 Spectrum Cost Variance adjustment** which updates the RAB for any difference between 2018 and 2019 estimates and actuals. The cumulative difference will be recovered through charges via regulatory depreciation from RP4 and potentially beyond (if the amounts to be recovered impact the unit rate in a disproportionate manner) (see (5c)).
29. For each year of RP2 NERL will report, for its UKATS Service line, the annual Spectrum licences' costs which are exempt from cost sharing in the relevant unit rate reporting tables (Table 2, Item 3.7) in the row labelled "unforeseen new cost items not covered in the performance plan, but required by law" and will be added to the RAB in calendar year end prices.
30. Article 14(2) of the RP2 Charging Regulation makes provision for the review of the RP2 spectrum cost variance adjustment, which is included in an annual verification report by the CAA, which is reviewed by the European Commission. This amount will be added to/deducted from the RAB as part of the RP2 Spectrum Cost Variance adjustment.
31. Key assumptions used in the **Spectrum cost variance** calculation are set out below. Note these are the RP2 CAA assumptions and are stated in 2012 RPI prices:

CAA Assumed Spectrum Costs:

Calendar Year 2018: £ 929

Calendar Year 2019: £ 895