Grand Ruling Chamber for Energy

Reference: GBK-25-02-3#1

Decision

In the administrative proceedings pursuant to section 21(3) sentence 4 para 1 in conjunction with section 29(1) of the Energy Industry Act (EnWG)

relating to the **determination of methodologies for calculating a standardised rate of return on capital**

the Grand Ruling Chamber for Energy of the Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen, Tulpenfeld 4, 53113 Bonn,

represented by

its Chair	Klaus Müller,
its Vice Chair	Barbie Kornelia Haller,
its Vice Chair	Dr Daniela Brönstrup,
its Vice Chair	Achim Zerres,
its Vice Chair	Dr Annegret Groebel, and
its Vice Chair	Karsten Bourwieg,

in summoning Lichtblick SE, Klostertor 1, 20097 Hamburg, legally represented by its management board,

– party summoned–

decided on 8 December 2025:

1. Addressees

This determination is addressed to operators of electricity distribution systems as defined in section 3 para 3 EnWG, operators of gas distribution systems as defined in section 3 para 8 EnWG and operators of gas transmission systems as defined in section 3 para 5 EnWG ("network operators").[1]

2. Calculation of the standardised rate of return on capital

[1]The weighted average cost of capital (WACC) to be used to derive the imputed return on capital in accordance with Determinations GBK-25-01-1#1 and GBK-25-1-2#1 is calculated using the formula

$$WACC = return\ on\ equity_{\square} * tax\ rate * equity\ ratio_{\square} + cost\ of\ debt_{\square} * debt\ ratio_{\square}$$

as the weighted average of the imputed return on equity and the imputed cost of debt for existing assets in the base year – that is investments up to and including the base year as specified in operative part 2.3 sentence 2 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1 (relevant is the calendar year in which an asset was recognised following completion) – in line with operative parts 3, 4, 5.1, 5.2 and 5.5.[2] [2]The Bundesnetzagentur will decide on the WACC rates in determinations under section 29(1) EnWG before the start of the relevant regulatory period as specified in operative part 2.3 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1. [3]The determinations referred to in sentence 2 will apply for the duration of a regulatory

[1] References relate to the provisions applicable at the time this determination was issued. Section 3 paras 9, 11 and 14 EnWG in the draft Act amending energy industry law to strengthen consumer protection in the energy sector and amending other provisions of energy law (Bundestag printed paper 21/1497 of 8 September 2025).
[2]References to other determinations issued by the Grand Ruling Chamber are to the determinations as last amended.

period as specified in operative part 2.3 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1.

3. Gearing ratio

[1]The weighting is based on a set ratio between the two types of financing for the total capital of a company. [2]The proportion of capital in the total costs that is subject as equity to the rate of return is set at 40%. [3]The proportion of debt corresponds to 60%.

4. Calculation of the imputed return on equity

4.1 The return on equity to be applied to the imputed equity is derived from a risk-free rate to be calculated as set out in operative part 4.2 plus a markup to cover network operation-related risks to be calculated as set out in operative part 4.3.

4.2 [1]The risk-free rate is calculated using zero-coupon bonds issued in euro with a residual maturity of 10 to 20 years. [2]German government bonds or euro area government bonds with a sovereign rating corresponding to that of German government bonds must be used as the reference series for the risk-free rate. [3]The arithmetic average relating to the time of the relevant determination of the WACC under operative part 2 for the last full calendar years for the series of securities chosen must be used. [4]The length of the averaging period must correspond to the length of the regulatory period as specified in operative part 2.3 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1 for which the risk-free rate is being set.

4.3 [1]The markup to cover network operation-related risks is calculated using the traditional market-based capital asset pricing model (CAPM). [2]The network operation-related risk markup is derived from the product of an equity risk premium to be calculated as set out in operative part 4.4 and a risk factor to be calculated as set out in operative part 4.6. [3]The network operation-related risk markup must be calculated taking into account observed and quantifiable conditions in the national and international capital markets and an assessment of operators of energy supply networks in these markets.

4.4 [1]The equity risk premium is calculated using historical excess returns compared with long-term government bonds. [2]A time series from a suitable, at least partially publicly available data source must be used that represents the portfolio of a widely diversified

investor. [3]The equity risk premium is derived from the arithmetic mean of the annual averages for the historical data series chosen.

4.5 When selecting the series for the risk-free rate under operative part 4.2 and when calculating the equity risk premium as set out in operative part 4.4, consideration must be given to the methodological consistency of the two.

4.6 [1]The risk factor is derived taking into account the historical development of the securities of network operators traded in national and international capital markets. [2]Companies must be chosen that have a risk comparable to that of German network operators. [3]The criteria to be taken into account when choosing peer companies include the regulatory environment and a network operator capacity that is as pure as possible. [4]The choice of peer companies should cover as wide a region as possible. [5]The securities and companies taken into account must be listed and traded on the exchange, and there must be sufficient time series for the shares of these securities and companies as well as a high level of liquidity.

4.7 The set return on equity must be the return before corporation tax plus any solidarity surcharge.

5. Calculation of the imputed cost of debt

5.1 [1]The cost of debt to be applied to the imputed debt must be calculated as a standardised cost of debt using a market-based, index-based method. [2]One or more sector-specific bond indices in euro must be used that mostly comprise bonds with residual maturities of around 10 years. [3]The credit risk rating underlying the bond index or indices must be consistent with the risk profiles of German network operators observed in the market and with the requirements of the gearing ratio as specified in operative part 3.

5.2 [1]For the calculation of the cost of debt for existing assets – that is investments up to and including the base year as specified in operative part 2.3 sentence 2 of Determinations GBK-25-1-1#1 and GBK-25-01-2#1 (relevant is the calendar year in which an asset was recognised following completion) – the arithmetic average for the seven full calendar years preceding the determination of the WACC under operative part 2 for the series chosen according to the criteria in operative part 5.1 is calculated. [2]In derogation of this, the Bundesnetzagentur will give greater weighting to individual

calendar years in the relevant determination of the WACC under operative part 2 if, based on a standardised assessment across all network operators of a sector, significantly higher investment volumes are observed in these years.

5.3 [1]For new investments, the cost of debt in the capex markup (operative part 11 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1) is calculated on the basis of the annual value of the series chosen in accordance with operative part 5.1 for the relevant year of capitalisation of the asset. [2]The year of capitalisation for completed assets is taken to be the calendar year in which an asset was recognised for the first time following completion. [3]The calculation of the cost of debt to be applied does not take into account earlier recognition of the same assets as assets under construction. [4]In the first instance, a forecast figure based on the average for the first quarter of the relevant application year for each of the series chosen according to the criteria in operative part 5.1 is used. [5]Differences between forecast and actual figures both for the cost of debt and for the investments are balanced out through the regulatory account (operative part 14 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1). [6]In all other respects, the imputed cost of debt for a certain asset remains unchanged in capex markups for subsequent calendar years in which the asset is to be taken into account.

5.4 New investments that were recognised for the first time as completed assets in the asset base up to and including the base year for the following regulatory period as specified in operative part 2.3 sentence 2 of Determinations GBK-25-01-1#1 and GBK-25-01-2#1 are classed as existing investments from the following regulatory period onwards and are subject to the cost of debt calculated for them as set out in operative part 5.2.

5.5 There is no flat-rate markup for ancillary financing costs.

6. Payment of costs

No fees are payable for the decision.