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28 August 2020

### **Standard Special Condition A48: Last Resort Supply: Payment Claims**

Dear Mike

The Authority appointed Octopus Energy Limited (Octopus) as a Supplier of Last Resort with effect from 1 August 2018 to the customers of Iresa Limited after the latter ceased trading.

Standard Condition 9 (Claims for Last Resort Supply Payment) of the Gas and Electricity Supply Licences provides that a Supplier of Last Resort may make a claim for a Last Resort Supply Payment to compensate for additional costs it has incurred in complying with a Last Resort Supply Direction, from relevant gas transporters and electricity distributors, where the Authority has given its consent to the amount claimed.

On 14 December 2018, Octopus submitted notice of its intention to claim for a Last Resort Supply Payment ("Octopus LRSP Claim"), which GEMA approved on 24 January 2019. On 30 January 2019, Octopus submitted its claim to the Licensees.

In accordance with Special Condition 1C, the Authority directed the following value to be recovered by Wales & West Utilities (WWU) through the MPt term for the formula year 2019/20 in respect of the Octopus LRSP Claim.

£ 675,648.96

In accordance with paragraph 4 of Standard Special Condition A48 (Last Resort Supply: Payment Claims) of the Gas Transporter Licences, WWU increased its transportation charges to such an extent as they reasonably estimated to be appropriate to secure that such consequential increase in their revenue equals the specified amount. This was done through an adjustment to allowed revenue in the year through the MPt term by the amount stated above.

With respect to the above last resort supply payment, the aggregate payments to the claimant (Octopus) made in respect of 2019/20 amounted to:

£ 675,648.96

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If you have any questions on the content of this note, please do not hesitate to contact me.

Yours sincerely

*S Williams.*

Sarah Williams  
Director of Regulation  
Wales & West Utilities

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**Wales & West Utilities Limited**  
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