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Date: 31<sup>st</sup> July 2022

Our reference: NSH/RB/JH/RJ

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

Dear Mike,

The Authority made the following Supplier of Last Resort appointments:

- EDF Energy Customers Limited (“EDF”) with effect from 17 August 2019 to the customers of Solarplicity Supply Limited after the latter ceased trading;
- ScottishPower Energy Retail Limited (“Scottish Power”) with effect from 24 November 2018 to the customers of Extra Energy Supply Limited after the latter ceased trading;
- OVO (S) Gas Limited (“OVO”) with effect from 15 March 2019 to the customers of Brilliant Energy Supply Limited (“Brilliant Energy”) after the latter ceased trading; and
- Ovo (S) Gas Limited (“OVO”) with effect from 9 August 2019 to the customers of Cardiff Energy Supply Limited (“Cardiff Energy”) 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 (“LPSP”) 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 20 May 2020, EDF submitted notice of its intention to claim for a LRSP which GEMA approved on 26 November 2020. On 18 May 2021, EDF submitted its claim to Wales & West Utilities Limited (“WWU”).

On 25 November 2020, Scottish Power submitted notice of its intention to claim for a LRSP which GEMA approved on 29 January 2021. On 4 March 2021, Scottish Power submitted its claim to WWU.

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On 29 August 2019, OVO submitted notice of its intention to claim for a LRSP, relating to Brilliant Energy, which GEMA approved on 15 May 2020. On 26 October 2020, OVO submitted its claim to WWU.

On 5 November 2020, OVO submitted notice of its intention to claim for a LRSP, relating to Cardiff Energy, which GEMA approved on 3 December 2020. On 27 January 2021, OVO submitted its claim to WWU.

In accordance with Special Condition 6.1 Pass-through items, the Authority directed the following values to be recovered by WWU, through the miscellaneous pass-through costs 'MPt' term for the regulatory year 2021/22 in respect of LRSP claims:

EDF	£218,543
Scottish Power	£550,468
OVO (Brilliant Energy)	£32,291
OVO (Cardiff Energy)	£5,208

In accordance with paragraph 3 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 reasonably estimated to be appropriate to secure that such consequential increase in revenue equaled the specified amount. This was done through an adjustment to allowed revenue in the year through the MPt term by the amounts stated above.

With respect to the above last resort supply payments, the aggregate payments to the claimants made in respect of the regulatory year 2021/22 amounted to:

EDF	£218,543
Scottish Power	£550,468
OVO (Brilliant Energy)	£32,291
OVO (Cardiff Energy)	£5,208

Should you wish to require any further information on this matter, please do not hesitate to contact me.

Yours sincerely,

*Neil Henson*

Neil Henson  
Director of Finance & IT

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