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31 July 2019

Standard Special Condition A48: Last Resort Supply: Payment Claims

Dear Chris

The Authority appointed Co-Operative Energy Limited (“CEL”) as a Supplier of Last Resort with effect from 30 November 2016 to the customers of GB Energy Supply 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 13 November 2017, CEL submitted notice of its intention to claim for a Last Resort Supply Payment (“CEL LRSP Claim”), which GEMA approved in part on 19 January 2018. On 25 January 2018, CEL 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 2018/19 in respect of the CEL LRSP Claim.

£ 724,306.91

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 (CEL) made in respect of 2018/19 amounted to:

£ 724,306.91

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

Yours sincerely/faithfully



Steve Edwards
Director of Regulation & Commercial
Wales & West Utilities

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Wales & West Utilities Limited
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Registered in England and Wales number 5046791