

## Supplier Charges Annual Review

### Performance Assurance Board

Date of meeting	<b>29 September 2022</b>	Paper number	<b>PAB260/07</b>
Owner/author	<b>Yinka Afolabi</b>	Purpose of paper	<b>Decision</b>
Classification	<b>Public</b>	Document version	<b>V1.0</b>
Summary	Elxon invites the PAB to approve the Supplier Charges Annual Review for the April 2022 to March 2023 Reporting Periods.		

### 1. Introduction

- 1.1 Supplier Charges are subject to a national monthly cap. Elxon calculates the cap across each of the 14 Grid Supply Point (GSP) Groups by its relative annual consumption compared to its total annual consumption for the previous year.
- 1.2 We calculate the GSP Group liability caps annually in accordance with Annex S-1, paragraph 3.7.3 of the BSC.
- 1.3 The Retail Price Index (RPI)<sup>1</sup> used to calculate the revised figures is included as Attachment A of this paper. The calculations made for the proposed GSP Group Caps and Serial Supplier Charges are provided as Attachment B of this paper.

### 2. Calculations

- 2.1 Elxon has calculated changes to the GSP Group liability caps and Supplier Charge Serials using the percentage of change of the RPI between January 2000 (166.6) and January 2022 (317.7). This is in line with the process described in Annex S-1 of the BSC. This provided an adjustment RPI increase<sup>2</sup> of 1.91, which has been applied to the national monthly liability cap set out in Annex S-1, paragraph 3.8.1 of the BSC (£1,275,000). This gave a national cap for the period April 2021 to March 2022 of £2,431,377.55.
- 2.2 The individual GSP Group liability caps have been determined by applying the proportion of each GSP Group's annual take against the sum of the take for all GSP Groups up to 31 March 2022. This is set out in Annex S-1 paragraph 3.7.3 of the BSC as follows:
- 2.3

$$£2,431,377.55 \times \frac{\text{Energy for GSP Group (April 2021 to March 2022)}}{\text{Sum of energy for all GSP Groups (April 2021 to March 2022)}}$$

- 2.4 The table below shows the recalculated GSP Group liability caps for the period April 2022 to March 2023.

<sup>1</sup> RPI sourced from the Office of National Statistics (ONS) and using the 'CHAW' index (all items RPI)

<sup>2</sup> 1.91 increase is a ratio between RPI of 166.6 (January 2000) and 317.7 (January 2022)

GSP Group	GSP ID	2021-2022 Cap (£)	2022-2023 Cap (£)
Eastern	A	£256,662.53	£292,116.11
East Midlands	B	£204,720.81	£227,021.12
London	C	£244,335.42	£249,261.83
Merseyside & North Wales	D	£111,327.94	£120,107.73
Midlands	E	£205,194.54	£220,441.76
Northern	F	£109,788.22	£123,144.46
North Western	G	£187,634.87	£210,331.10
Southern	H	£263,262.91	£290,224.51
South Eastern	J	£162,549.33	£175,630.75
South Wales	K	£78,829.83	£85,680.30
South Western	L	£101,704.88	£109,263.04
Yorkshire	M	£161,165.25	£174,052.74
SouthScotland	N	£123,145.18	£136,256.74
North Scotland	P	£13,657.89	£17,845.36
Totals		<b>£2,223,979.59</b>	<b>£2,431,377.55</b>

2.5 We have also recalculated the individual Supplier Charges in line with RPI, by applying a multiplication adjustment figure of 1.91 against the base sum for each Serial as defined in Annex S-1, paragraphs 3.1 to 3.6 of the BSC. The table below sets out the Supplier Charges for April 2022 to March 2023, rounded to the nearest penny.

Serial	Current Supplier Serial Charge	BSC Base Supplier Serial Charge	Previous Supplier Serial Charge (2021-2022)	New Supplier Serial Charge (2022-2023)
SP08a (R3)	Energy and Metering Systems on Annual Advances	£0.13	£0.23	£0.25
SP08a (RF)	Energy and Metering Systems on Annual Advances	£1.43	£2.49	£2.73
SP08b (SF)	Energy and Metering Systems Actual Readings	£0.13	£0.23	£0.25
SP08b (R1)	Energy and Metering Systems Actual Readings	£1.43	£2.49	£2.73

SP08c (RF)	Energy and Metering Systems Actual Readings	£1.43	£2.49	£2.73
SP04	Installation of HH Metering	£2.68	£4.67	£5.11
SP01	Provision of Routine Performance Monitoring Reports	£25.50	£44.48	£48.63
SP02	Provision of Routine Performance Monitoring Logs	£25.50	£44.48	£48.63

### 3. Next Steps

- 3.1 Subject to approval, we will publish the recalculated GSP Group liability caps and Supplier Charge Serials on the Elexon website and circulate a notice by Newscast.

### 4. Recommendations

- 4.1 We invite you to:
- a) **APPROVE** the monthly GSP Group liability cap for each GSP Group for the period April 2022 to March 2023 as set out in paragraph 2.4;
  - b) **APPROVE** the individual Supplier Charge Values for each Serial for the period April 2022 to March 2023, as set out in paragraph 2.5; and
  - c) **NOTE** that Elexon will publish the approved GSP Group liability cap for each GSP Group and Supplier Charge values for each Serial on the Elexon website.

### Attachments

Attachment A – Retail Price Index

Attachment B – Calculations Spreadsheet

### For more information, please contact:

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