

#### **ENERGY MARKET INVESTIGATION**

#### CONSULTATION

Draft Amendments to the Electricity Supply Licence for the Energy Market Investigation (Prepayment Charge Restriction) Order 2016

#### **ELECTRICITY SUPPLY LICENCE**

**Condition 28A. Prepayment Charge Restriction** 

#### Requirement to adhere to a Prepayment Charge Restriction

- 28A.1 The licensee must ensure that, between 1 April 2017 and 31 December 2020, the aggregate amount of all Charges for Supply Activities applicable to each Relevant Customer does not exceed the Relevant Maximum Charge within each Charge Restriction Period.
- 28A.2 Unless a direction has been issued by the Authority pursuant to paragraph 28A.21, in order to comply with paragraph 28A.1, the licensee must ensure that for each of its Prepayment Tariffs the aggregate Charges for Supply Activities applicable to any Relevant Customer at any consumption level (*x* kWh) in respect of a Charge Restriction Period do not exceed the Relevant Maximum Charge.
- 28A.3 For all Single-Register Prepayment Tariffs, compliance with the Prepayment Charge Restriction will be assessed against the Relevant Maximum Charge determined on the basis of the Benchmark Metering Arrangement values for Single-Rate Metering Arrangements. The licensee must ensure that each of its Multi-tier Prepayment Tariffs complies with the Prepayment Charge Restriction for all possible divisions of consumption between the different months within the Charge Restriction Period.
- 28A.4 For all Multi-Register Prepayment Tariffs, compliance with the Prepayment Charge Restriction will be assessed against the Relevant Maximum Charge determined on the basis of the Benchmark Metering Arrangement values for Economy 7 Metering Arrangements.
- 28A.5 This condition 28A does not apply in relation to Fixed Term Supply Contracts entered into by a Relevant Customer on or before 24 June 2016.

#### **Determination of the Relevant Maximum Charge**

28A.6 For each Benchmark Metering Arrangement (denoted *I*), Charge Restriction Period of length *t* months (denoted *j*), and for each of the 14 Charge Restriction Regions (denoted *i*), the Relevant Maximum Charge for a given level of consumption *x* shall be determined by reference to the Benchmark Maximum Charges applicable during a Charge Restriction Period at two Benchmark Annual Consumption Levels denoted below as *nil* and *m*, as follows:

$$ChargeMax_{i,i,l}(x) =$$

$$\left[ ChargeMax_{i,j,l}(nil) \times \frac{t}{12} \right] + \left[ \frac{ChargeMax_{i,j,l}(m) - ChargeMax_{i,j,l}(nil)}{m} \times x \right]$$

ChargeMax(m) and ChargeMax(nil) are defined as described in paragraph 28A.7.

# Calculation of the Benchmark Maximum Charges for Charge Restriction Periods

- 28A.7 For each Charge Restriction Period, the Authority will calculate the Benchmark Maximum Charge for each:
  - (a) Benchmark Annual Consumption Level;
  - (b) Charge Restriction Region; and
  - (c) Benchmark Metering Arrangement,

in accordance with the following formula:

$$ChargeMax_{i,i,k,l} = (WC_{i,k,l} + NC_{i,i,k,l} + PC_{i,k,l} + IC_{i,k,l} + PPM_{i,l} + H_{i,k,l})$$

where (the following units all being in pounds sterling):

 $ChargeMax_{i,j,k,l}$  means the Benchmark Maximum Charge in Charge Restriction Region i, in Charge Restriction Period j, at Benchmark Annual Consumption Level k, for Benchmark Metering Arrangement l;

 $WC_{j,k,l}$  means the wholesale cost allowance in Charge Restriction Period j, at Benchmark Annual Consumption Level k, for Benchmark Metering Arrangement l, calculated in accordance with paragraph 28A.8;

$NC_{i,j,k,l}$	means the network cost allowance in Charge Restriction Region <i>i</i> , in Charge Restriction Period <i>j</i> , at Benchmark Annual Consumption Level k, for Benchmark Metering Arrangement <i>I</i> , determined in accordance with paragraph 28A.9;
$PC_{j,k,l}$	means the policy cost allowance in Charge Restriction Period <i>j</i> , at Benchmark Annual Consumption Level <i>k</i> , for Benchmark Metering Arrangement <i>I</i> , calculated in accordance with paragraph 28A.12;
$IC_{j,k,l}$	means the indirect cost allowance in Charge Restriction Period <i>j</i> , at Benchmark Annual Consumption Level <i>k</i> , for Benchmark Metering Arrangement <i>I</i> , calculated in accordance with paragraph 28A.13;
$PPM_{j,l}$	means the prepayment meter uplift allowance in Charge Restriction Period <i>j</i> , for Benchmark Metering Arrangement <i>l</i> , calculated in accordance with paragraph 28A.14;
$H_{j,k,l}$	means the headroom allowance in Charge Restriction Period <i>j</i> , at Benchmark Annual Consumption Level <i>k</i> , for Benchmark Metering Arrangement <i>I</i> , calculated in accordance with paragraph 28A.15;
t	means the number of months in the Charge Restriction Period.

28A.8 For the purposes of paragraph 28A.7, the wholesale index value in Charge Restriction Period *j* at Benchmark Annual Consumption Level *k*, for Benchmark Metering Arrangement *l* shall be calculated as follows:

$$WC_{j,k,l} = WC_{0,k,l} \times \frac{WI_j}{WI_0}$$

where:

 $WC_{0,k,l}$  means the Baseline Value for wholesale index value, for Benchmark Annual Consumption Level k, for Benchmark Metering Arrangement l. The Baseline Values for this term are set out in Annex 1;

 $WI_j$  means the wholesale index value relating to Charge Restriction Period j which the Authority will calculate semi-annually and, subject to paragraph 28A.10 below, in accordance with the methodology set out in Annex 2;

 $WI_0$  means the Baseline Value for the wholesale index and shall take the value 51.82.

- 28A.9 For the purposes of paragraph 28A.7, the network cost allowance in Charge Restriction Region *i*, in Charge Restriction Period *j*, at Benchmark Annual Consumption Level *k*, for Benchmark Metering Arrangement *l* shall be calculated based on the data within published network company charging statements and, subject to paragraph 28A.10 below, in accordance with the methodology and data sources set out in Annex 3. The Baseline Value of the network cost allowances are set out in Annex 4 for each Benchmark Annual Consumption Level, Charge Restriction Region and Benchmark Metering Arrangement. The day:night split used for calculating network charges shall be 62:38, unless the Authority issues a direction pursuant to paragraph 28A.27 amending the percentages in paragraph 28A.25, in which case the new peak and off-peak consumption levels specified for all Economy 7 Tariffs shall also be used for calculating network charges.
- 28A.10 If the external data sources referred to in Annexes 2 or 3 are no longer available, the Authority may replace the data sources set out in Annexes 2 or 3 (as applicable) with any suitable successor data sources. If the Authority cannot identify a suitable successor data source, it may, following consultation, either replace the data with an alternative data source, or amend the form of the model to reflect the change in data availability.
- 28A.11 The Authority may, following consultation, amend the methodology set out in Annex 3 to calculate the network cost allowance, where changes in charging methodology result in the network cost allowance diverging materially from the calculation of actual network costs for some or all Relevant Customers.
- 28A.12 For the purposes of paragraph 28A.7, the policy cost index value in Charge Restriction Period *j*, at Benchmark Annual Consumption Level *k*, for Benchmark Metering Arrangement *l*, shall be calculated as follows:

$$PC_{j,k,l} = PC_{0,k,l} \times \frac{PI_{j,}}{PI_{0}}$$

where:

 $PC_{0,k,l}$  means the Baseline Value for the policy cost allowance, at Benchmark Annual Consumption Level k, for Benchmark Metering Arrangement l. The values for this term are set out in Annex 1;

- PI<sub>j</sub> means the policy cost index value in Charge Restriction Period *j*. The value of this term in each Charge Restriction Period is defined as the sum of the values relating to environmental levies for any forthcoming Charge Restriction Period, excluding environmental levies relating to the Carbon Reduction Commitment, as included in the forecast of current receipts presented in the most recent Economic and Fiscal Outlook published by the Office for Budgetary Responsibility before the date 60 days prior to the start of the relevant Charge Restriction Period. In the event that this data is not available the Authority will, following consultation, identify an alternative data source. Should there be a period in which the Authority needs to determine the value of PI<sub>j</sub> but no alternative data source has been so identified the Authority shall use such value as it considers reasonable.
- $PI_0$  means the Baseline Value for the policy cost index and shall take the value £5.6 billion.
- 28A.13 For the purposes of paragraph 28A.7, the indirect cost allowance in Charge Restriction Period *j*, at Benchmark Annual Consumption Level *k*, for Benchmark Metering Arrangement *l* shall be calculated as follows:

$$IC_{j,k,l} = IC_{0,k,l} \times \frac{CPI_j}{CPI_0}$$

where:

- IC<sub>0,k,l</sub> means the Baseline Value of the indirect cost allowance and shall take the values set out in Annex 1 for each Benchmark Annual Consumption Level and Benchmark Metering Arrangement;
- means the value of the Consumer Prices Index, series ID: D7BT, published by the Office for National Statistics or the successor to such series as may be identified by the Monetary Policy Committee of the Bank of England for the purposes of targeting inflation or as otherwise directed by the Authority. The value used shall be chosen as follows:
  - For a Charge Restriction Period starting on 1 April the value of *CPI<sub>i</sub>* shall be calculated as:

$$CPI_j = \left(\frac{CPI_{Dec\ j-1}}{CPI_{lun\ 2015}}\right) \times 100$$

• For a Charge Restriction Period starting on 1 October the value of *CPI<sub>i</sub>* shall be calculated as:

$$CPI_j = \left(\frac{CPI_{Jun\ j-1}}{CPI_{Jun\ 2015}}\right) \times 100$$

 $CPI_0$  has the value 100.0.

28A.14 For the purposes of paragraph 28A.7, the prepayment uplift allowance in Charge Restriction Period *j* shall be calculated as follows:

$$PPM_{j,l} = PPM_0 \times \frac{CPI_j}{CPI_0}$$

where:

PPM<sub>0</sub> means the Baseline Value of the prepayment uplift and shall be
 £24 for both Single-Rate Metering Arrangements and Economy
 7 Metering Arrangements;

 $CPI_i$  has the meaning given to it in paragraph 28A.13;

 $CPI_0$  has the meaning given to it in paragraph 28A.13.

28A.15 For the purposes of paragraph 28A.7, the headroom allowance in Charge Restriction Period *j*, at Benchmark Annual Consumption Level *k*, for Benchmark Metering Arrangement *l* shall be calculated as follows:

$$H_{i,k,l} = HAP_l \times (WC_{i,k,l} + PC_{i,k,l} + IC_{i,k,l} + PPM_{i,l})$$

where:

*HAP*<sub>l</sub> means the headroom allowance percentage for Benchmark Metering Arrangement *I*, which is 4.23% for Single-Rate Metering Arrangements and 3.41% for Economy 7 Metering Arrangements.

# **Determination and publication of Benchmark Maximum Charges and other values**

28A.16 Subject to paragraphs 28A.18 and 28A.19, no later than the fifth Working Day of February in relation to a forthcoming Charge Restriction Period *j* starting on 1 April, or no later than the fifth Working Day of August in relation to a forthcoming Charge Restriction Period *j* starting on 1 October, the Authority will:

- (a) determine the updated Benchmark Maximum Charges which shall apply for any forthcoming Charge Restriction Period *j* by calculating such values in accordance with paragraph 28A.7; and
- (b) publish such Benchmark Maximum Charges so calculated in the format specified in Annex 5.
- 28A.17 Subject to paragraphs 28A.18 and 28A.19, at the same time as publishing the Benchmark Maximum Charges pursuant to paragraph 28A.16(b) the Authority will also publish the following values and, where relevant, identify the data sources used:
  - (a) the wholesale index value, calculated in accordance with paragraph 28A.8;
  - (b) the network cost allowance in each Charge Restriction Region *i* and for Benchmark Metering Arrangement *I*, determined in accordance with paragraph 28A.9;
  - (c) the policy cost index value, calculated in accordance with paragraph 28A.12;
  - (d) the value of  $CPI_i$  as described in paragraph 28A.13.
- 28A.18 If the information that is required to calculate one or more of the values listed in paragraph 28A.17 is unavailable, the Authority may use an alternative source to set the values to determine the Benchmark Maximum Charges. In that event, the Authority will publish the alternative value(s) it has used to determine the Benchmark Maximum Charge at the same time as publishing the Benchmark Maximum Charges.
- 28A.19 If, owing to a technical issue, the Authority is unable to publish the Benchmark Maximum Values or the values listed in paragraph 28A.17 within the timetable set out in paragraph 28A.16, it will publish such values without delay following resolution of the technical issue.

#### **Duration of the Prepayment Charge Restriction**

28A.20 This condition will come into force on 1 January 2017 and shall cease to have effect on 30 June 2021.

#### Direction for alternative compliance assessment

28A.21 The licensee may apply to the Authority to request a direction concerning the compliance of a particular Prepayment Tariff with the Prepayment Charge Restriction where, due to the structure of the relevant Prepayment Tariff, the

Charges for Supply Activities at certain consumption levels would exceed the Relevant Maximum Charge, but the licensee can provide evidence to the reasonable satisfaction of the Authority that it is unlikely that any Relevant Customer subject to such Prepayment Tariff will have a consumption level which would cause them to incur Charges for Supply Activities in excess of the Relevant Maximum Charge.

- 28A.22 If the Authority has issued a direction to the licensee pursuant to paragraph 28A.21, the licensee must comply with such direction and must determine, at the end of each Charge Restriction Period, whether any Relevant Customer has in fact incurred Charges for Supply Activities in excess of the Relevant Maximum Charge. If the licensee determines that this is the case, the licensee must:
  - (a) inform the Authority in Writing without delay; and
  - (b) pay a rebate to, or credit the account of, each such Relevant Customer equal to the difference between the Charges for Supply Activities actually incurred (or, if the Tariff is a Multi-Register Prepayment Tariff, the difference between the Charges for Supply Activities calculated on the basis of the Assumed Consumption Profile) by Relevant Customers and the Relevant Maximum Charge within 30 days of the end of the relevant Charge Restriction Period.

# Assumed Consumption Split where the Prepayment Tariff varies by time of consumption or purpose (Multi-Register Prepayment Tariffs)

- 28A.23 For the purpose of assessing compliance of Multi-Register Prepayment Tariffs with the Prepayment Charge Restriction pursuant to paragraph 28A.3, in calculating the aggregate amount of all Charges for Supply Activities, consumption in different periods will be weighted using an Assumed Consumption Split determined in accordance with paragraph 28A.25.
- 28A.24 For the purpose of the review to be carried out pursuant to paragraph 28A.22, in calculating the Charges for Supply Activities incurred by Relevant Customers on any given Prepayment Tariff, consumption in different peak and off-peak periods will be weighted using an Assumed Consumption Split determined in accordance with paragraph 28A.25.
- 28A.25 The Assumed Consumption Splits shall apply across Great Britain, reflect annual consumption patterns, and be determined as follows:
  - (a) in respect of each Economy 7 Tariff, off-peak and peak consumption levels of 38% and 62%, respectively, shall be the Assumed Consumption

- Split, subject to any direction from the Authority issued pursuant to paragraph 28A.27;
- (b) in respect of each Multi-Register Prepayment Tariff (other than an Economy 7 Tariff), the Assumed Consumption Split shall be based on historic consumption data or, in the absence of historic data, on a reasonable estimate of the average consumption split, subject to any direction from the Authority issued pursuant to paragraph 28A.27.
- 28A.26 In respect of each Multi-Register Prepayment Tariff (other than an Economy 7 Tariff), the licensee must:
  - (a) notify the Authority in Writing of the Assumed Consumption Split with accompanying relevant data relating to the historic consumption of their customers, no less than three months before the beginning of each relevant Charge Restriction Period or, if a Prepayment Tariff is capable of being entered into for the first time at a date after the beginning of a Charge Restriction Period, two months before that date; and
  - (b) when historic data relating to two consecutive Charge Restriction Periods are not available in relation to a particular Prepayment Tariff, the licensee must:
    - (i). notify the Authority as per paragraph 28A.26(a) its forecast of the average consumption split relevant to that Prepayment Tariff (which shall be used as the Assumed Consumption Split), as well as evidence supporting this forecast, and
    - (ii). no later than three months after the last day of each Charge Restriction Period, notify in Writing to the Authority the actual average consumption usage split for that Prepayment Tariff in the previous Charge Restriction Period.
- 28A.27 The licensee must comply with any direction which the Authority may issue, having first sought representations from the licensee (to which the Authority will have regard), to use an alternative Assumed Consumption Split in relation to one or more Multi-Register Prepayment Tariffs. This Assumed Consumption Split shall be notified:
  - (a) in relation to a Multi-Register Prepayment Tariff capable of being entered into for the first time at a date after the beginning of a Charge Restriction Period, no later than one month before the launch of that Prepayment Tariff; and

- (b) in relation to any other Multi-Register Prepayment Tariff, no later than the date on which the Benchmark Maximum Charges are published pursuant to paragraph 28A.16.
- 28A.28 The licensee must comply with any direction which the Authority may issue, after consultation with the licensee, to pay a rebate to Relevant Customers if, due to a material discrepancy between the forecast and actual average consumption splits referred to in paragraph 28A.26(b), Relevant Customers incurred Charges for Supply Activities in excess of the Relevant Maximum Charge.

#### Reporting obligation

- 28A.29 The licensee must provide the Authority with a report, in the format specified by the Authority from time to time, no more than seven days after the start of each Charge Restriction Period. This report must state for each of its Prepayment Tariffs:
  - (a) the Tariff Name and any brand name that the Prepayment Tariff is marketed under;
  - (b) the first and (where applicable) last dates on which each Prepayment Tariff was or will be supplied to Relevant Customers under a Domestic Supply Contract or a Deemed Contract;
  - (c) the Standing Charge(s) and Unit Rate(s) of each Prepayment Tariff in each Charge Restriction Region;
  - (d) to which Metering Arrangement(s) each Prepayment Tariff applies or will apply;
  - (e) the Prepayment Tariff availability criteria;
  - (f) in relation to Multi-Register Prepayment Tariffs, the Assumed Consumption Split;
  - (g) the number of customers subject to the Prepayment Tariff at the end of the first day of the Charge Restriction Period; and
  - (h) any other information about the Prepayment Tariff which the Authority may from time to time specify.
- 28A.30 The licensee must inform the Authority, in Writing (or in any other format specified by the Authority), of any changes to the information included in the report as soon as reasonably practicable after the implementation of any

such changes, including as a result of the launch of a new Prepayment Tariff.

28A.31 The licensee must give the Authority any information that it reasonably requests about the licensee's compliance with paragraph 28A.1 as soon as reasonably practicable after receiving a request.

#### **Definitions for condition**

28A.32 In this condition:

'Assumed Consumption Split' means the assumed percentage consumption split between each rate relevant to a Multi-Register Metering Arrangement, determined pursuant to paragraph 28A.25.

'Baseline Value' means the values specified by the CMA as at 30 June 2015;

'Benchmark Metering Arrangement' means either a Single-Rate Metering Arrangement or an Economy 7 Metering Arrangement, to be used for the purpose of this licence pursuant to 28A.3 and 28A.4; for the purposes of applying Annexes 1 to 5 when determining the Benchmark Maximum Charge pursuant to paragraph 28A.7 means using: (a) the values set out in the columns headed 'Single-rate meters' for determining the Benchmark Maximum Charge for Single-Rate Metering Arrangements; and (b) the values set out in the columns headed 'Economy 7 meters' for determining the Benchmark Maximum Charge for Multi-Register Metering Arrangements;

**'Benchmark Annual Consumption Levels'** means the benchmark annual consumption levels nil kWh and *m* kWh, where *m* shall respectively take the following values:

For Single-Register Metering Arrangements

m = 3,200 kWh;

For Multi-Register Metering Arrangements

m = 4,600 kWh;

**'Benchmark Maximum Charge'** means one of 56 benchmark maximum charge values (in pounds sterling and exclusive of Value Added Tax), which are unique to a specific Benchmark Annual Consumption Level, Charge Restriction Region and Benchmark Metering Arrangement, and are updated on a semi-annual basis by the Authority pursuant to paragraphs 28A.7 and 28A.16;

'Charge Restriction Region' means a Distribution Services Area;

**'Charge Restriction Period'** means a period, between 1 April 2017 and 31 December 2020, either:

- beginning on 1 April of each year and ending on 30 September of the same calendar year; or
- beginning on 1 October of each year and ending on 31 March of the subsequent calendar year; or
- beginning on 1 October of 2020 and ending on 31 December 2020.

'Charges for Supply Activities' has the meaning given to that term in standard condition 22A.

'CMA' means the Competition and Markets Authority;

'Consumption Window' means, in the context of a Multi-Register Metering Arrangement, each separate period within a total period of 24 hours in which electricity consumption was recorded and charged at a distinct Unit Rate;

**'Economy 7 Metering Arrangement'** means using an Electricity Meter for the purpose of an Economy 7 Tariff;

**'Economy 7 Tariff'** means a Prepayment Tariff whereby a Domestic Customer is charged on the basis of two separate Unit Rates, where in each period of 24 hours the peak electricity consumption level is recorded during 17 'day/normal' hours and the off-peak electricity consumption level is recorded during seven 'night/low' hours;

**'Excluded Smart Meter'** means either: (a) a Smart Metering System which consists of an Electricity Meter and any associated or ancillary devices identified in a version (other than the first version) of the SME Technical Specification; or (b) a Smart Metering System otherwise identified by the CMA (through a direction given under the Energy Market Investigation (Prepayment Charge Restriction) Order 2016) as being fully interoperable;

'Metering Arrangement' means, for the purpose of this licence condition, using one or more Electricity Meters for the purpose of a Prepayment Tariff whereby a Domestic Customer is charged either on the basis of a Multi-Register Metering Arrangement or on the basis of a Single-Register Metering Arrangement;

'Multi-tier Metering Arrangement' means using an Electricity Meter for the purpose of a Prepayment Tariff whereby a Domestic Customer is charged on the basis of a Unit Rate which varies according to the Domestic Customer's electricity consumption over a defined period of time;

- 'Multi-tier Prepayment Tariff' means a Prepayment Tariff whereby a Domestic Customer incurs Charges for Supply Activities on the basis of a Multi-tier Metering Arrangement;
- 'Multi-Register Metering Arrangement' means using one or more Electricity Meters for the purpose of a Prepayment Tariff whereby a Domestic Customer's electricity consumption at certain times, or for certain purposes (for example, heating), or both, is separately recorded on one or more registers and includes any contractual arrangement whereby the Domestic Customer is charged on the basis of Time of Use Rates (regardless of the metering equipment employed);
- 'Multi-Register Prepayment Tariff' means a Prepayment Tariff whereby a Domestic Customer incurs Charges for Supply Activities on the basis of a Multi-Register Metering Arrangement;
- 'Prepayment Charge Restriction' means the obligation set out in paragraph 28A.1;
- 'Prepayment Tariff' means a Tariff in respect of any Domestic Supply Contract or Deemed Contract with a Relevant Customer which includes a requirement to pay Charges through a Prepayment Meter;
- 'Relevant Customer' means a Domestic Customer supplied via a Prepayment Meter, excluding those Domestic Customers supplied via an Excluded Smart Meter;
- 'Relevant Maximum Charge' means the maximum charge amount (in pounds sterling) for any consumption level, calculated in accordance with paragraph 28A.6;
- **'Single-Rate Metering Arrangement'** means using one or more Electricity Meters for the purpose of a Prepayment Tariff whereby a Domestic Customer is required to pay for the Charges for Supply Activities on the basis of a single Unit Rate;
- 'Single-Register Metering Arrangement' means any Metering Arrangement which is not a Multi-Register Metering Arrangement, and includes a Single-Rate Metering Arrangement (regardless of the metering equipment employed) and a Multi-Tier Metering Arrangement in which the Unit Rate does not vary according to the time of use);
- **'Single-Register Prepayment Tariff'** means a Prepayment Tariff whereby a Domestic Customer is required to pay for the Charges for Supply Activities on the basis of a Single-Register Metering Arrangement.

Annex 1 – Baseline Values of the wholesale cost allowance, policy cost allowance, indirect cost allowance, prepayment meter allowance and headroom allowance (ie as at 30 June 2015)

	Single-rate meters (benchmark consumption per annum, <i>k</i> )		Economy 7 meters (benchmark consumption per annum, <i>k</i> )	
	Nil kWh	<i>m (</i> 3,200 kWh)	Nil kWh	<i>m</i> (4,600 kWh)
Wholesale cost allowance	£0.00	£189.33	£0.00	£274.14
Policy cost allowance	£25.81	£66.86	£27.93	£66.98
Indirect cost allowance	£28.87	£74.81	£31.24	£74.88
Prepayment meter allowance	£24.00	£24.00	£24.00	£24.00
Headroom allowance	£3.33	£15.02	£2.84	£15.00
	£82.00	£370.00	£86.00	£455.00

## Annex 2 – Methodology for determining the wholesale index value

[Please see attached .xls file]

## Annex 3 – Methodology for determining the network cost index value

[Please see attached .xls file]

Annex 4 – Baseline Values of the network cost allowances (ie as at 30 June 2015)

Region, i	(beno consum	ate meters chmark nption per um, k)	Economy 7 meters (benchmark consumption per annum, k)	
	Nil kWh	m (3,200 kWh)	Nil kWh	m (4,600 kWh)
North West England	£0.00	£129.20	£0.00	£132.49
North East England	£0.00	£133.81	£0.00	£152.67
Yorkshire & North Lincolnshire	£0.00	£125.55	£0.00	£140.30
North Scotland	£0.00	£153.77	£0.00	£180.25
Southern England	£0.00	£127.19	£0.00	£134.53
Southern Scotland	£0.00	£128.81	£0.00	£149.34
North Wales and Mersey	£0.00	£168.60	£0.00	£187.65
London	£0.00	£112.03	£0.00	£125.99
South East England	£0.00	£131.51	£0.00	£148.34
East England	£0.00	£119.97	£0.00	£133.63
East Midlands	£0.00	£117.55	£0.00	£128.41
West Midlands	£0.00	£122.82	£0.00	£133.15
South West England	£0.00	£152.76	£0.00	£168.22
South Wales	£0.00	£137.97	£0.00	£146.94

Annex 5 – Baseline Benchmark Maximum Charges (ie as at 30 June 2015)

Region, i	Single-rate meters (benchmark consumption per annum, <i>k</i> )		Economy 7 meters (benchmark consumption per annum, <i>k</i> )	
	Nil kWh	<i>m (</i> 3,200 kWh)	Nil kWh	<i>m</i> (4,600 kWh)
North West England	£82.00	£497.43	£86.00	£584.85
North East England	£82.00	£502.04	£86.00	£605.03
Yorkshire & North Lincolnshire	£82.00	£493.82	£86.00	£592.71
North Scotland	£82.00	£522.00	£86.00	£632.63
Southern England	£82.00	£495.66	£86.00	£587.21
Southern Scotland	£82.00	£496.12	£86.00	£600.61
North Wales and Mersey	£82.00	£534.94	£86.00	£637.72
London	£82.00	£480.40	£86.00	£578.54
South East England	£82.00	£499.91	£86.00	£600.91
East England	£82.00	£488.32	£86.00	£586.15
East Midlands	£82.00	£485.89	£86.00	£580.92
West Midlands	£82.00	£491.26	£86.00	£585.80
South West England	£82.00	£521.24	£86.00	£620.91
South Wales	£82.00	£506.42	£86.00	£599.60