



Open letter about recovery of Last Resort Supply Payment claims from customers connected to GDN and IGT networks

We welcome the opportunity to comment on Ofgem's proposals about the recovery of Last Resort Supply Payment (LRSP) claims from customers connected to GDN and IGT networks.

We are in favour of Ofgem's preferred option (option 1 - intra-year revision to network charges) and, from an initial review of these proposals, we would not foresee the GDNs having any accounting or tax issues, as highlighted as a potential issue by Ofgem, as this is pass through costs and revenues for them. This option would not only swiftly resolve the issue of a potential windfall for the IGTs, but it would also be the least burdensome solution for suppliers as there would be no requirement to make amendments to the already submitted LRSP claims.

Option 2 is our least favoured solution to the issue raised as it requires all parties (GDNs, IGTs, suppliers) to make significant in-year administrative changes to the LRSP claim process. Having experienced the claim and invoicing set-up processes relatively recently, we are aware of the challenges involved to ensure payments are received on time. Any changes made part way through the year are highly likely to introduce a level of confusion and complexity which can be avoided with the implementation of option 1.

Although option 3 is similar to option 1, it would not provide a timely resolution to the issue at hand and our preference would be to reconcile all costs in-year so that charges for the period 2023/24 are a true reflection of costs incurred during 2022.