

By Email:

supplier@ofgem.gov.uk

Date

4th August 2022

Contact / Extension

David Holland

0141 614 3018

Dear Leigh Rafferty/ SoLR Levy and True-up Policy team,

Last resort levy claims true-up process consultation

SP Energy Networks (SPEN) represents the transmission licensee of SP Transmission plc (SPT), as well as the distribution licensees of SP Distribution plc and SP Manweb plc. SP Transmission owns, develops, and maintains the onshore electricity transmission network in the south of Scotland. SPEN also own and operate the electricity distribution networks in the south of Scotland (SP Distribution) which serves two million customers, and Merseyside and North Wales (SP Manweb) which serves one and a half million customers.

We welcome the opportunity to provide comment on this last resort levy claims true-up process consultation.

As we represent networks companies only, where the DNO's act as a passthrough of SoLR Levy costs between the SoLR and the customer, we have no comment on the consultation questions 1-5. However, as DNO's we are exposed to the 'fast-track' process by which SoLR's have had faster approval of claims and the ability to make multiple claims per failed supplier.

Minded-To Position 6: The temporary, multiple-claim, levy process will come to an end as early as possible after winter 2022/23 in order to reduce the risk of overpayment and lessen the short-term impact of levy claims on energy bills.

Question 6: Do stakeholders agree with our minded-to position 6?

We would support the ending of this multiple claim 'fast track' levy process as soon as reasonably practicable. Reverting to the normal process by which there are set timelines providing stakeholders ample opportunity to understand and plan for the

impacts of levy claim values in bill values for customers and gives Ofgem the time to fully scrutinise SoLR claims. Reverting to a single claim per SoLR (per failed supplier) will reduce complexity and admin time to process in comparison to the current temporary measures.

However, we would request a change to the normal arrangements, to decrease the time suppliers must submit claims from 5 years down to 2-3 years. The current 5-year period introduces uncertainty in planning for SoLR costs and we are not aware of any situation where a supplier would need 5 years to calculate claims. Reducing the period to 2-3 years would allow ample time for suppliers to fully calculate costs relating to being an SoLR.

I look forward to your continued engagement on the SoLR Levy claims process.

Yours faithfully,



David Holland,
Regulatory Revenue Model Manager
SPEN