

Subject:

Re: Price cap: reflecting potential changes to BSUoS charged in the price cap
[OFFICIAL]

Dear Retail Price Regulation team,

OVO welcomes the engagement of Ofgem on addressing whether inflation should be considered when computing the transitional adjustment for 'offsetting' historical BSUoS charges.

We have considered the proposal and believe this will add unnecessary complexity to the adjustment, particularly given the short notice period of consultation with industry.

We also note that reference is made to the historical offset and if it should be adjusted by the Consumer Prices Index including owner occupiers' housing costs (CPIH), in order to maintain consistency with how Ofgem calculates other ex-post adjustments within the price cap. However, OVO queries this consistency point when inflation has not been applied to BSUoS recovery in the price cap allowances and therefore it does not align across the pre-price cap period and subsequent cost recovery over the price cap.

Please contact policy@ovoenergy should you have any further queries.

Kind regards,
Sam

Samantha Cannons
Regulation Manager



w: [ovoenergy.com](https://www.ovoenergy.com)

Please consider this a 'thanks' in advance.

Every email has a carbon footprint. So if you don't hear back from me, it's not because of you, it's because of the planet.

Specifically, whether the historical offset should be adjusted by the Consumer Prices Index including owner occupiers' housing costs (CPIH), in order to maintain consistency with how we calculate other ex-post adjustments within the price cap.

We welcome your feedback in this area, and would appreciate it if you could provide any representations by 1pm on Thursday 26 January 2023.

Kind Regards

Retail Price Regulation

[]

SSE and associated brands: Southern Electric, Scottish Hydro, SWALEC and Atlantic are all trading names of OVO Electricity Limited registered in England and Wales number 06858121 (supply of electricity and Feed-In Tariffs); OVO (S) Gas Limited registered in England and Wales number 02716495 (supply of gas); OVO (S) Retail Telecoms Limited registered in England and Wales number 10086511 (supply of home phone and broadband); OVO (S) Home Services Limited registered in Scotland number SC292102 (boiler and heating repair, servicing, cover, boiler installations and electrical wiring cover) and OVO (S) Energy Solutions Limited registered in Scotland number SC386054 (energy efficiency installations and insulation products). The registered office of OVO Electricity Limited, OVO (S) Gas Limited and OVO (S) Retail Telecoms Limited is 1 Rivergate, Temple Quay, Bristol, BS1 6ED. The registered office of OVO (S) Home Services Limited and OVO (S) Energy Solutions Limited is Grampian House, 200 Dunkeld Road, Perth, PH1 3GH. OVO (S) Electricity Limited (Company number 04094263 and registered office 1 Rivergate, Temple Quay, Bristol, BS1 6ED and Financial Conduct Authority firm reference number 805475) is an appointed representative of OVO (S) Home Services Limited. OVO (S) Home Services Limited is authorised and regulated by the Financial Conduct Authority under firm reference number 695476 for insurance distribution.