



Making a positive difference
for energy consumers

To: All holders of a gas and/or
electricity supply licence

Email: priceprotectionpolicy@ofgem.gov.uk

Date: 23 May 2025

Final notice of baseline values and initial values of the CPIH index and the cost of capital

This notice constitutes the relevant notice for the purposes of the standard condition 28AD of each electricity supply licence granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 and the standard condition 28AD of each gas supply licence granted or treated as granted under section 7A(1) of the Gas Act 1986, in accordance with paragraph 28AD.17A of the electricity supply licence and paragraph 28AD.16A of the gas supply licence.

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Daniel Newport

Deputy Director, Retail Price Protection

Duly authorised on behalf of the Gas and Electricity Markets Authority

23 May 2025

Electricity

Baseline Values

Core Operating Cost Allowance

	Single-Rate Metering Arrangement (benchmark consumption per annum, <i>k</i>)	Single-Rate Metering Arrangement (benchmark consumption per annum, <i>k</i>)	Multi-Register Metering Arrangement (benchmark consumption per annum, <i>k</i>)	Multi-Register Metering Arrangement (benchmark consumption per annum, <i>k</i>)
Payment Method <i>p</i>	Nil kWh	<i>m</i> (3,100 kWh)	Nil kWh	<i>m</i> (4,200kWh)
Standard Credit	61.5006	106.8577	61.5006	106.8577
Prepayment	74.4209	116.9521	74.4209	116.9521
Other Payment Method	43.5780	88.9350	43.5780	88.9350

Debt-Related Cost Allowance

		Single-Rate Metering Arrangement (benchmark consumption per annum, <i>k</i>)	Single-Rate Metering Arrangement (benchmark consumption per annum, <i>k</i>)	Multi-Register Metering Arrangement (benchmark consumption per annum, <i>k</i>)	Multi- Register Metering Arrangement (benchmark consumption per annum, <i>k</i>)
	Payment Method <i>p</i>	Nil kWh	<i>m</i> (3,100 kWh)	Nil kWh	<i>m</i> (4,200 kWh)
Debt-Related Administrative Cost (AC)	Standard Credit	2.0186	3.9830	2.0323	3.9830
Debt-Related Administrative Cost (AC)	Prepayment	2.6844	5.2967	2.7026	5.2967
Debt-Related Administrative Cost (AC)	Other Payment Method	0.1738	0.3428	0.1749	0.3428
Debt-related Bad Debt Cost (BDC)	Standard Credit	7.7512%	7.7512%	7.7512%	7.7512%

Debt-related Bad Debt Cost (BDC)	Prepayment	0.3582%	0.3582%	0.3582%	0.3582%
Debt-related Bad Debt Cost (BDC)	Other Payment Method	4.5033%	4.5033%	4.5033%	4.5033%
Debt-related Working Capital Cost (WCC)	Standard Credit	1.1759%	1.1759%	1.1759%	1.1759%
Debt-related Working Capital Cost (WCC)	Prepayment	0.1870%	0.1870%	0.1870%	0.1870%
Debt-related Working Capital Cost (WCC)	Other Payment Method	-1.2105%	-1.2105%	-1.2105%	-1.2105%

Initial Values

Initial Value of the Cost of Capital

CoC ₀	12.8234%
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Initial Value of the CPIH Index for the Core Operating Cost Allowance

CPIH ₀	128.6
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Initial Value of the CPIH Index for the Debt-Related Cost Allowance

CPIH _d	135.1
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Gas

Baseline Values

Core Operating Cost Allowance

Payment Method <i>p</i>	Benchmark consumption per annum, <i>k</i> – Nil kWh	Benchmark consumption per annum, <i>k</i> – <i>m</i> (12,000 kWh)
Standard Credit	87.9974	114.5759
Prepayment	98.9918	125.3635
Other Payment Method	68.8443	95.4228

Debt-Related Cost Allowance

	Payment Method <i>p</i>	Benchmark consumption per annum, <i>k</i> – Nil kWh	Benchmark consumption per annum, <i>k</i> – <i>m</i> (12,000 kWh)
Debt-Related Administrative Cost (AC)	Standard Credit	2.5439	3.4941
Debt-Related Administrative Cost (AC)	Prepayment	3.3830	4.6466
Debt-Related Administrative Cost (AC)	Other Payment Method	0.2190	0.3008
Debt-related Bad Debt Cost (BDC)	Standard Credit	7.6214%	7.6214%
Debt-related Bad Debt Cost (BDC)	Prepayment	0.3622%	0.3622%
Debt-related Bad Debt Cost (BDC)	Other Payment Method	4.4279%	4.4279%
Debt-related Working Capital Cost (WCC)	Standard Credit	1.1562%	1.1562%

Debt-related Working Capital Cost (WCC)	Prepayment	0.1890%	0.1890%
Debt-related Working Capital Cost (WCC)	Other Payment Method	-1.1902%	-1.1902%

Initial Values

Initial Value of the Cost of Capital

CoC ₀	12.8234%
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Initial Value of the CPIH Index for the Core Operating Cost Allowance

CPIH ₀	128.6
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Initial Value of the CPIH Index for the Debt-Related Cost Allowance

CPIH _d	135.1
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