

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

**Draft notice of Baseline Values and Initial Value of the CPIH Index**

This draft notice constitutes the relevant notice for the purposes of the proposed 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 proposed standard condition 28AD of each gas supply licence granted or treated as granted under section 7A(1) of the Gas Act 1986.

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**Rob Salter-Church**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**6/9/2018**

## Electricity

### Baseline Values

#### *Operating Cost Allowance*

	Single-Rate Metering Arrangement (benchmark consumption per annum, $k$ )		Multi-Register Metering Arrangement (benchmark consumption per annum, $k$ )	
	Nil kWh	m (3,100kWh)	Nil kWh	m (4,200kWh)
$OC_{0,k,l}$	43.1894	78.2951	43.4549	78.2951

#### *Headroom Allowance Percentage*

HAP	1.4477%
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#### *Earnings Before Interest and Tax Margin Percentage*

EBIT	1.90%
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#### *Payment Method Adjustment Percentage (PAP)*

Payment Method $p$	Single-Rate Metering Arrangement	Multi-Register Metering Arrangement
Standard Credit	8.2393%	8.1832%
Fully-Interoperable Smart Prepayment	1.4442%	1.4344%
Other Payment Method	1.4442%	1.4344%

#### *Payment Method Adjustment Additional Cost*

Payment Method $p$	$PAAC_{0,p}$
Standard Credit	12.8422
Fully-Interoperable Smart Prepayment	4.4969
Other Payment Method	4.4969

### Initial Value of the CPIH Index

$CPIH_0$	102.2
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## Gas

### Baseline Values

#### *Operating Cost Allowance*

	Nil kWh	m (12,000 kWh)
$OC_{0,k}$	68.4659	89.2624

#### *Headroom Allowance Percentage*

HAP	1.4477%
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#### *Earnings Before Interest and Tax Margin Percentage*

EBIT	1.90%
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#### *Payment Method Adjustment Percentage and Payment Method Adjustment Additional Cost*

Payment Method $p$	$PAP_p$	$PAAC_{0,p}$
Standard Credit	5.7071%	13.3198
Fully-Interoperable Smart Prepayment	1.1295%	4.4686
Other Payment Method	1.1295%	4.4686

### Initial Value of the CPIH Index

$CPIH_0$	102.2
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