

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

**Notice of Baseline Values and Initial Value of the CPIH Index**

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.

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

**6 November 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)
$OC_{0,k,l}$	39.6648	78.2640	39.9332	78.2640

#### *Headroom Allowance Percentage*

HAP	1.4641%
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#### *Earnings Before Interest and Tax Margin Percentage*

EBIT	1.9368%
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#### *Payment Method Adjustment Percentage (PAP)*

Payment Method $p$	Single-Rate Metering Arrangement	Multi-Register Metering Arrangement
Standard Credit	5.8318%	5.7904%
Fully-Interoperable Smart Prepayment	0.4854%	0.4786%
Other Payment Method	0.4854%	0.4786%

#### *Payment Method Adjustment Additional Cost*

Payment Method $p$	$PAAC_{0,p}$
Standard Credit	13.7458
Fully-Interoperable Smart Prepayment	3.4231
Other Payment Method	3.4231

### 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)
$OC_{0,k}$	64.9445	89.2021

#### *Headroom Allowance Percentage*

HAP	1.4641%
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#### *Earnings Before Interest and Tax Margin Percentage*

EBIT	1.9368%
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#### *Payment Method Adjustment Percentage and Payment Method Adjustment Additional Cost*

Payment Method $p$	$PAP_p$	$PAAC_{0,p}$
Standard Credit	5.7526%	13.4403
Fully-Interoperable Smart Prepayment	0.4135%	3.1859
Other Payment Method	0.4135%	3.1859

#### **Initial Value of the CPIH Index**

$CPIH_0$	102.2
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