

Clause:	Proposed Change	Proposers Rationale	Ofgem view and rationale	Our views and rationale
8.2(b)	The Last Resort Supply Direction will stop having effect on and from a date specified in the Last Resort Supply Direction, <u>that is six months after the date in which the direction has effect.</u>	Ofgem should retain a back-stop date for when a LRSD should cease to have effect	Disagree Consider 5 years is a back stop. As a LRSP is no longer anchored to a LRD, there is no need to put a sunset clause on the Direction.	Agree with Ofgem. 5 years should be a back stop. As LRSP is no longer anchored to LRSD, unclear why a hard deadline is required in LRSD, or what benefits this would bring. 6 months may not be enough time to complete a SoLR process, 5 years, or a time outlined in the Direction, means small suppliers or suppliers that are new to the process have adequate time to complete the process
9.3(b)	give the Authority a calculation of the amount claimed with information to support that calculation, no later than a date notified to it by the Authority or, if no such date is notified, five years after the date on which the Last Resort Supply Direction to which the claim relates takes effect.	Related to the above, the proposal is to mitigate the risk of very extended periods of time for a claim to be made by linking the five year back stop date to the date the Last Resort Supply Direction takes effect rather than a date five years after the Direction ceases to have effect.	Disagree Do not expect 5 years after becoming the SoLR to become the de facto time frame of a LRSP claim.	Agree with Ofgem. As each suppliers' resources and capacity is vastly different, each time frame can be adjusted on a case-by-case scenario. An agreement between the authority and supplier can be made when and if required at the time.
9.1	Exact change not provided but suggested adding in text that would mean costs for Cost of SoLR process should be borne across all consumers We do not think that a potential licence changes to Supply Resort Payment would be recovered from iDNOs/iGTs.	Cost of SoLR process should be borne across all consumers	We do not think that a potential licence changes to address this comment is within scope of this consultation. But we agree this issue could be further considered, as part of the separate, ongoing work considering potential changes	No comment required.

			to the cost recovery mechanism.	
9.4	<p>The total amount of the Last Resort Supply Payment to be claimed by the licensee must not exceed the amount by which:</p> <p>(a) the total costs (including interest on working the associated cost of capital) reasonably incurred by the licensee in supplying electricity to premises under the Last Resort Supply Direction and a reasonable profit, plus:</p> <p>(b) any sums paid, or debts assumed by the licensee to compensate any Customer in respect of any Customer Credit Balances (and the associated cost of capital)</p>	Current drafting too restrictive.	<p>Disagree</p> <p>Licence, as is, doesn't prohibit these costs and requires the Authority to consider the appropriateness in all the circumstances of the case of permitting recovery of all sums claimed.</p>	<p>Agree with Ofgem</p> <p>Our view is that the associated cost of capital should remain and the lost interest on working is a valid cost to reclaim</p> <p>However, as outlined currently, Ofgem will consider all aspects of any amount claimed for. In the circumstances that the amount requested is unreasonable, the authority will provide reasonable feedback as to why this amount will not be paid and will provide a figure they feel is more appropriate.</p> <p>There needs to be mechanism to appeal against decisions made by Ofgem when considering LRSP</p>
9.6	Exact change not provided but suggested a deadline for LRSP claims to be included in the licence.	To provide certainty to other suppliers	<p>Disagree</p> <p>Consider it is appropriate and in consumers' interests to provide flexibility in the process to allow SoLR to take into account monies (if any) received through the liquidation process and to ensure that the Authority is not unduly time-constrained in coming to a view on the appropriateness of a LRSP claim.</p>	<p>Agree with Ofgem.</p> <p>Reasons as outlined in 8.2(b)</p>