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### **Last Resort Supplier Payment Claim from Octopus Energy Limited**

We are responding to Ofgem's letter dated 14 December 2018.

We note that Octopus has made its claim while uncertainties remain regarding the amount of credit balances it will be required to fund. In particular, reference is made in Ofgem's letter to the possibility of Octopus recovering monies from the ongoing administration process for Iresa, and that 35% of accounts had not had a final account agreed by the consumer. The latter is a surprisingly large proportion, and in our view does not form a robust enough basis to initiate the transfer of energy customers' monies to Octopus. Octopus should be required to substantially improve on this position before the Authority makes its decision.

We believe it would be helpful if Ofgem provided more information to support the £1.6m claimed for the capital cost of additional working capital. With the information present, we cannot tell whether this represents good value for consumers or not. While it seems possible that publication of borrowing costs etc. may be seen by the SoLR as commercially confidential, a claim on consumers' money needs to be transparently justified.

If you have any questions on this response, please do not hesitate to contact me on 020 8186 0089.

Yours sincerely

A handwritten signature in blue ink that reads "Paul Delamare".

**Paul Delamare**  
**Head of Customers Policy and Regulation**

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