
DRAFT STATUTORY INSTRUMENTS

2023 No.

**The Nuclear Regulated Asset Base Model
(Revenue Collection) Regulations 2023**

PART 3

Operational costs

The operational costs levy

23.—(1) An electricity supplier must make a payment (“an operational cost payment”) to the revenue collection counterparty for each day that supplier makes an electricity supply during an operational cost period.

(2) The amount of an operational cost payment to be paid by a supplier in respect of a day is equal to the amount of electricity supplied by that supplier on that day, less any amount of EII excluded electricity supplied by that supplier on that day, multiplied by the operational levy rate.

(3) The revenue collection counterparty must, as soon as reasonably practicable after the BSCCo has carried out an Initial Volume Allocation Run in respect of a day in an operational cost period, issue a notice to each electricity supplier who supplied electricity on that day stating the operational cost payment which the supplier to whom the notice is issued must pay in respect of that day.

(4) An electricity supplier must make an operational cost payment in respect of a day by the operational cost payment date in relation to that payment.

(5) The operational cost payment date in relation to an operational cost payment is the 5th working day after the day on which the revenue collection counterparty has issued a notice under paragraph (3) to the supplier who must make that payment.

(6) Where an electricity supplier fails to make an operational cost payment by the operational cost payment date in relation to that payment, that supplier must pay the revenue collection counterparty simple interest on any unpaid amount at the rate specified in regulation 36(1) from the day after the operational cost payment date.

(7) For the purposes of this regulation—

(a) the operational levy rate is as follows—

(i) £0.0020 per megawatt hour for any day before 1st April 2023;

(ii) £0.0025 per megawatt hour for any day during for the period that begins with 1st April 2023 and ends on 31st March 2024;

(iii) £0.0028 per megawatt hour for any day after 31st March 2024;

(b) the amount of electricity supplied by an electricity supplier on a particular day is the amount of electricity which the BSCCo determines, on the basis of an Initial Volume Allocation Run carried out in relation to that day, as the amount of electricity which that supplier supplied on that day.

Repayment of excess

24.—(1) The revenue collection counterparty must determine, as soon as reasonably practicable after the conclusion of an operational cost period, whether the amounts received under regulation 23(1) in respect of that period and received by virtue of regulation 23(6) during that period are greater than the costs which it incurred in respect of the relevant period in relation to that operational cost period.

(2) Where the revenue collection counterparty determines that those amounts are greater than those costs it must pay the difference to electricity suppliers as soon as reasonably practicable after making that determination.

(3) Where the revenue collection counterparty must make a payment under paragraph (2), the amount which the revenue collection counterparty must pay to an electricity supplier in respect of an operational cost period is the amount given by—

$$(RA - CO) \times \left(\frac{SE - EX}{ST - XT} \right)$$

where—

RA is the sum of—

- (a) any amounts received by the revenue collection counterparty under regulation 23(1) in respect of that period,
- (b) any amounts received by the revenue collection counterparty by virtue of regulation 23(6) during that period, and
- (c) any amounts which were paid to the revenue collection counterparty during the relevant period for the purpose of compensating it for any costs incurred by it in respect of a breach of any duty or obligation owed to it (whether or not under these Regulations);

CO is the costs the revenue collection counterparty determines it has incurred in respect of the relevant period;

SE is the amount of electricity supplied by the supplier in that period;

EX is the amount of EII excluded electricity supplied by that supplier in that period;

ST is the total amount of electricity supplied by all suppliers in that period; and

XT is the total amount of EII excluded electricity supplied by all suppliers in that period.

(4) For the purposes of paragraph (3) the amount of electricity supplied by a supplier in an operational cost period is the amount of electricity which the BSCCo determines, on the basis of Initial Volume Allocation Runs, as the amount of electricity that supplier supplied in that period.

(5) In this regulation—

- (a) “costs” means any costs incurred by the revenue collection counterparty in connection with the performance by it of any function conferred on it by or by virtue of Part 2 of the Act; and
- (b) “relevant period” in relation to an operational cost period means—
 - (i) in relation to the first operational cost period, the period beginning with the coming into force of these Regulations and ending with the day the first operational cost period ends; or
 - (ii) in relation to any other operational cost period, that operational cost period.