SCHEDULE 2   Regulation 5(1)

METHOD OF CALCULATING AMOUNT OF ANY PAYMENT IN RESPECT OF LEVY

1. In this Schedule:

the superscript " is used to denote the first estimate made by the Director of the amount in question for the period in question to calculate the levy rate for that period;

the superscript ' is used to denote the revised estimate made by the Director of that amount to calculate the levy rate for the period immediately following that period; and

the absence of a superscript is used to denote the actual amount in question.

2. In this Schedule the following symbols have the following meanings:—

A_y is the aggregate of the total costs calculated in relation to each public electricity supplier in accordance with paragraph 1 of Schedule 3 in respect of period y;

AA_y is the aggregate of the total costs calculated in relation to each public electricity supplier in accordance with paragraph 2 of Schedule 3 in respect of period y;

B_y is the aggregate of the total costs calculated in relation to each public electricity supplier in accordance with paragraph 3 of Schedule 3 in respect of period y;

BB_y is the aggregate of the total costs calculated in relation to each public electricity supplier in accordance with paragraph 4 of Schedule 3 in respect of period y;

C_y is the amount of the administrative expenses of the Director attributable to the levy incurred in respect of period y;

E_y is the aggregate amount of all interest payments pursuant to regulation 24(1) in respect of period y less the aggregate amount of all interest payments pursuant to regulation 24(2) in respect of period y;

F_y is the aggregate amount of all interest payments pursuant to regulation 25 received in period y;

G_y is the aggregate amount of levy or interest payments due in respect of period y which, in the opinion of the Director, will be either irrecoverable or recoverable only at excessive cost;

X_y is the aggregate amount (exclusive of levy and value added tax) charged (whether or not a bill or invoice has been delivered to a customer) by licensed suppliers for leviable electricity supplied by them in period y; and

K_y is the correction factor for y calculated in accordance with paragraph 5.

3. Subject to any adjustment which may be required pursuant to the Regulations, the amount of any payment to be made by a licensed supplier in respect of the levy in period y shall be calculated by applying to the aggregate amount (exclusive of value added tax and levy) charged (whether or not any bill or invoice has been delivered to a customer) by the supplier for leviable electricity supplied by him during the qualifying month the percentage figure R_y where R_y is the percentage figure r_y given by the formula—

$$r_y = \frac{K_y + D_y''}{X_y''} \times 100$$

after it has been rounded to the nearest tenth of a per centum (any odd twentieth of a per centum being rounded upwards).

4. In the formula in paragraph 3 the value of

Dy''

is given by the formula—

$$D_y'' - (A_y'' + AA_y'') - (B_y'' + BB_y'') + C_y'' - E_y'' - F_y'' + G_y''.$$

5. In the formula in paragraph 3 the correction factor K_y shall be the amount of money, whether positive or negative, given by the following formula—

$$K_y - \left[(D_{y-1}' - D_{y-1}'') - \left(\frac{R_{y-1}}{100} \times (X_{y-1} - X_{y-1}'')\right) \times \left(\frac{r_{y-1} - R_{y-1}}{100} \times X_{y-1}''\right)\right] \times \left[1 + \frac{I_{y-1}}{100}\right]$$

$$+ \left[(D_{y-2}' - D_{y-2}'') - \left(\frac{R_{y-2}}{100} \times (X_{y-2} - X_{y-2}'')\right)\right] \times \left[1 + \frac{I_{y-2}}{100}\right] \times \left[1 - \frac{I_{y-1}}{100}\right]$$

where—

$I_y{-}_1$ is the arithmetic average of the LIBOR rates on the last day of each of the first six months in period y—1; and

$I_y{-}_2$ is the arithmetic average of the LIBOR rates on the last day of each of the first six months in period y—2.