



WALES&WEST
UTILITIES



DN Interruption Pricing Example

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2nd April 2007

Site information

- AQ 15,000,000 kWh pa
- SOQ 50,000 kWh/day
- Interruption Allowance 15 days
- Compensation required £10,000 per annum
- Option / Exercise split 50 : 50

Option Price

- SOQ 50,000 kWh/day
- Interruption Allowance 15 days
- Option Price £5,000 per annum

$$5000 * 100 / 50000 = 10 \text{ p/kWh}$$

$$10 / 365 = 0.027 \text{ p/kWh/day}$$

Paid as 12 monthly installments of £405.00 (for a 30 day month)

Exercise Price

- SOQ 50,000 kWh/day
- Interruption Allowance 15 days
- Exercise Price £5,000 per annum

$$5000 * 100 / 15 = 33,333 \text{ p/day}$$

$$33333 / 50000 = 0.67 \text{ p/kWh}$$

Paid for the capacity and number of days of actual interruption

Total Price

- SOQ 50,000 kWh/day
- Interruption Allowance 15 days
- Option Price 0.027 p/kWh/day
- Exercise Price 0.67 p/kWh/day
- Total Price for fully exercised contract
£10,000