

Pass-Through Costs explained...

Your customer invoice can be divided into **energy and non-energy** (pass-through) costs.

The cost to consume your energy is fixed for the duration of your contract. Pass-through costs originate from the **government and third parties** involved in the energy supply chain.

Over the past 10 years these costs have more than doubled. They now make **up to 60% of your energy bill** and will continue to rise, so it's important to know what the costs are and where they come from.



Types of Pass-Through Costs



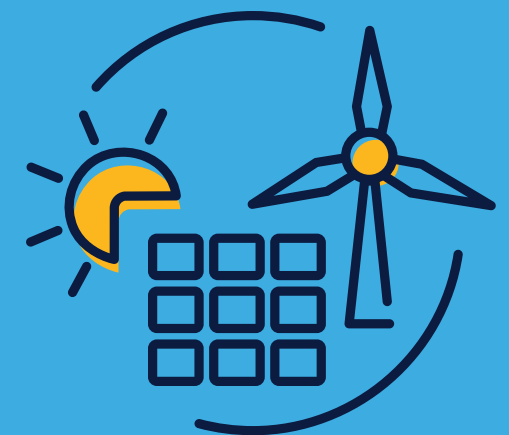
Infrastructure

Costs to transport energy through to your business and maintain the network.



Balancing

Costs for the National Grid to keep energy supply and demand balanced at all times.



Renewables

Costs from Government schemes to fund low carbon and renewable generation.

How are they charged?

Our products use a simple pricing structure to make them easy to understand and compare what you are paying. To keep it this way the pass-through costs are included in your standing charge and unit rates.



We keep the price you pay as low as possible, and unlike some suppliers do not add any risk premium throughout your entire contracted period.

Who are the costs paid to?

Suppliers are required under license to pass these costs through to customers. These costs are then provided to third parties including:

National Grid ✓

Ofgem ✓

Distribution Network Operators ✓

HM Customs & Excise ✓

It's important to note that pass-through costs are not created nor controlled by energy suppliers.

Learn more: www.smartestenergy.com/business/help-with-pricing-information

