

FLEXIBLE COST ADJUSTMENT FORMULA REGULATIONS 2005

Regulations made under s. 10 and 14 of the Gibraltar Electricity Authority Act 2003.

**Subsidiary
2005/032**

**FLEXIBLE COST ADJUSTMENT FORMULA
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(LN. 2005/032)

17.3.2005

Amending enactments	Relevant current provisions	Commencement date
LN. 2005/062	r.3(1)	31.3.2005

Title.

1. These rules may be cited as the Flexible Cost Adjustment Formula Regulations 2005.

Interpretation.

2. In these Regulations—

“fossil fuels” means the oils consumed in the generation of electricity by the Government; and

“average weighted cost” means the sum of the cost of fossil fuels consumed divided by the mass of the said fuels consumed in the accounting period.

Calculation of Additional Unit Charge.

3.(1) There may be added in whole or in part to the price of each unit of electricity consumed in any accounting period thereafter the sum of 0.000326 pence for each penny that the average weighted cost per metric tonne of fossil fuel consumed in the generation of electricity by the Government increased by more than 1 per cent over the price of £64.85 per metric tonne in the second preceding accounting period.

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(2) Where any addition to the cost per unit of electricity consumed has been made by reason of the provision of subrule (1), no further addition in cost per unit of electricity shall be made, notwithstanding that the average weighted cost of fossil fuels consumed has further increased, unless or until such average weighted cost has increased by a further 1 percent or more over the average weighted cost of £64.85, when the price of each unit of electricity may be further increased in accordance with the provisions of subrule (1).

(3) The provisions of subregulation (2) shall also apply in relation to each further increase of 1 per cent over the average weighted cost of £64.85 after the first and second increases provided for in subregulations (1) and (2).

(4) There may be added in whole or in part to the price of each unit of electricity consumed in any accounting period, and in every accounting period thereafter, the amount of 0.5 pence in respect of the cost to the Government of the generation of electricity:

Provided that from such amount shall be deducted the sum of any increase in the cost per unit of electricity which by virtue of the provision of subregulations (1), (2) and (3) has occurred in the six previous accounting periods.