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**All MSF and Low Rise Tenants**

**December 2022**

### **District Heating Network Charges**

The District Heating Network (DHN) which supplies domestic heat and hot water to the multi storey and low rise flats was installed in 2014. It is run on a not for profit basis and the costs for tenants have remained the same since the system was installed.

Each property has a meter and is charged for consumption at the following rates:

	<b>Cost ex VAT</b>	<b>Cost incl VAT (5%)</b>
Heat/Hot Water	9 pence / kwh	9.45 pence / kwh
Standing Charge	39.45 pence / day	41.42 pence / day

Before the installation of the system, our MSF and low rise flats had electric storage and panel heating, some of which had been in the flats since 1989. Fitting gas central heating is not an option for systems built housing so the comparative fuel type cost has always been electricity.

The main costs of running the energy system are fuel supplies (woodchip, gas, electricity) and metering.

We have reviewed income and expenditure and recent significant cost increases as follows:

Woodchip	23% increase from 2021
Gas	14.5% increase from 2021 (3-year contract in place)
Electricity	124.2% increase from 2021 (3-year contract in place)
Metering	7% increase from 2021

**Registered with the Scottish Housing Regulator No. 203**  
**Registered Charity No. SC038737, VAT Registration No. 180223636**  
**Registered society under the Co-operative and Community**  
**Benefit Societies Act 2014**

## Cost Comparisons: 6- Month Energy Price Guarantee

The current Energy Price Guarantee put in place by the UK Government caps the standing charge and unit cost of electricity and gas. The cost to each household depends on usage level.

The overall headline price cap national averages from 1<sup>st</sup> October 2022 are:

	<b>Cost inc VAT (5%)</b>	<b>Standing Charge inc VAT (5%)</b>
Electricity	34.0 pence / kwh	46.0 pence / day
Gas	10.3 pence / kwh	28 pence / day

The energy price guarantee is in place until 31<sup>st</sup> March 2023 when there will be an anticipated average increase of at least 20% on the current cap.

### Increase

There have been no tariff increases since the introduction of the DHN in 2014. The Co-operative is aware of impact on tenants with cost of living increases with a particular focus on rising energy prices however, it is essential that the network covers the running costs of providing heat and hot water.

**From 1<sup>st</sup> February 2023, the charges for the system will be as follows:**

	<b>Cost ex VAT</b>	<b>Cost inc VAT (5%)</b>
Heat/Hot Water	12 pence / kwh	12.6 pence / kwh
Standing Charge	39.45 pence / day	41.42 pence / day

There will be no increase to the current daily standing charge.

The increase will be applied to meters automatically.

Please contact the office if you are having difficulty with heat charges as there may be some support available.

If you do not currently use the system and wish to have your supply re-instated, please contact the office.

Yours sincerely

Stephanie Marshall  
Director