

CROSS SECTOR	
REFERENCE NUMBER:	CATEGORY: Amendment
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SLC B15 SSC A40
TITLE:	Regulatory Instructions and Guidance
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	
RELEVANT ISSUES LOG:	
POLICY ISSUES	
<ul style="list-style-type: none"> RIGs Part A paragraph 5(b) Part A paragraph 5(l) Part A paragraph 6 Part C paragraph 17 	<ul style="list-style-type: none"> The RIGs for NGET and NGGT need to be seen by licensees as soon as possible in order that the obligations of the respective condition can be fully assessed and understood. The consultation documents indicate that this is expected to be published in December 2020. In any event we would welcome sight of the RIGs for NGET and NGG no later than the date of publication of the statutory consultation on the licence modifications giving effect to the Final Determinations. Early dialogue on the respective RIGs for NGET and NGG would help clarify the extent to which additional reporting requirements such as PCDs, Cyber Reporting, Digitalisation Strategy and Plans are covered by RIGs or are subject to separate reporting arrangements. If the latter, early sight of the proposed separate reporting arrangements becomes an even greater priority if we are to ensure we are capturing the data required by RIGs from 1 April 2021 Clarity is sought on how the accuracy and reliability of forecast information will be established by RIGs Guidance on the standards of accuracy and reliability applicable to commentary (otherwise referred to as performance narrative) is a new requirement if it goes beyond the narrative template that is currently provided. If this is the expectation, we would welcome early discussion to clarify how accuracy and reliability will be established Furthermore, in the spirit of avoiding an unnecessary regulatory reporting burden, we would encourage reporting templates to be carefully designed in consultation with licensee(s) so that the provision of any data and supporting narrative is of mutual benefit, and therefore less likely to be considered superfluous

	<ul style="list-style-type: none"> Clarification sought on the interaction between this paragraph describing the use of estimates and Part A paragraph 5(b) which refers to accuracy and reliability, when in principle an estimate is unlikely to be accurate
DRAFTING ISSUES	
<ul style="list-style-type: none"> Defined Terms 	<ul style="list-style-type: none"> The capitalised terms “Final Determinations”, “Annual Report” and “Examiner” used within the condition are not defined in the GT section of the definitions annex. The definition of “Specified Information” in the GT definitions annex is not relevant to the RIGs definition and should be defined as per the ET definition. In the ET section of the definitions annex “Annual Report” is defined by reference to “this condition”. It should refer to SLC B15 (and SSC A40 for GT).
FINANCE ISSUES	
<ul style="list-style-type: none"> RIGs 	<ul style="list-style-type: none"> Within the Price control Financial Handbook paragraph 2.12 states <i>“The licensee must submit updates to forecast Variable Values annually, through the AIP, in accordance with the requirements of the PCFM Guidance. These updates can apply to all Regulatory Years.”</i> <p>This gives the licensee the ability to forecast on Variable allowances (such as UM’s and volume drivers), therefore we are expecting that within the RRP there will be the ability to provide this data.</p> To impact the Year 2 Allowed Revenue value (2022/23) in the PCFM the license require the ability to include forecasts in the November 2021 Annual Iteration process, we require clarification from Ofgem as to whether these forecasts will be submitted through the July 2021 RIIO-T1 RRP or the RIIO-T2 PCFM.
SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	