

| CROSS SECTOR | |
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| REFERENCE NUMBER: | CATEGORY: Amendment |
| LICENCE CONDITION NUMBER: <i>(if relevant):</i> | SpC 8.2 |
| TITLE: | Annual Iteration Process for the Price Control Financial Model |
| RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i> | |
| RELEVANT ISSUES LOG: | |
| POLICY ISSUES | |
| <ul style="list-style-type: none"> PCFM Guidance | <ul style="list-style-type: none"> The PCFM Guidance needs to be seen by licensees as soon as possible in order that the obligations of this condition can be fully assessed and understood. The consultation document indicates that the document is expected to be published in Q1 2021. We would welcome sight of the PCFM Guidance as soon as possible and in any event no later than the date of publication of the statutory consultation on the licence modifications giving effect to the Final Determinations Part E of the condition does not include any timelines for when the PCFM guidance will be directed. To enable sufficient time to populate the PCFM this should be no later than 1 April. |
| DRAFTING ISSUES | |
| <ul style="list-style-type: none"> 8.2.6 Part C Heading 8.2.9 8.2.12 8.2.14 | <ul style="list-style-type: none"> Suggest this refers to “Chapters 2 to 7 of this licence” This should not be framed as a question but as a statement. Suggest “Approach if the AIP is not completed by 30 November” In the NGGT version of the condition 8.2.9(a) should reference GT2 Price Control Handbook (not ET2) In the NGGT version of the condition 8.2.12 line 3 should refer to 8.2.13 and 8.2.14 not 8.2.12 and 8.2.13 In the NGGT Licence, line 2 of 8.2.14 should cross refer to 8.2.13 |

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| FINANCE ISSUES | |
| <ul style="list-style-type: none"> 8.2.5 | <ul style="list-style-type: none"> The submission date for the PCFM is stated as 31st July. This would be feasible on the premise that the inputs required to be updated are akin to what is already provided through the RIGs in RII01 i.e. covers information currently provided through the C&O RRP, Revenue RRP and RFPR. However, if there are additional inputs that require inputting and / or updating, we would need to assess the feasibility of providing additional information by 31st July. We have not yet received a complete RII0-2 PCFM in that it does not include all Revenue RRP and RFPR inputs which, according to the consultation document, is Ofgem's intent and so we are not able to make a complete assessment of the reporting requirements against the proposed timescales. |
| SUPPORTING INFORMATION | |
| OFGEM ENGAGEMENT: | |