



Promoting choice and value
for all gas and electricity customers

Price Control Pension Principles

8 October 2008

Agenda

- 09:45 Registration, tea & coffee
- 10.00 Introduction, background and issues - Steve Smith
- 10.10 GMB presentation followed by Q& A – Naomi Cooke
- 10.35 ENA presentation followed by Q&A – Mike Bedford
- 11.10 Centrica presentation followed by Q&A – Stella Eastwood
- 11.35 Way forward and General Q&A
- 12.00 Close

Way Forward

- How do we ensure “economic and efficient” pension costs (Principle 1)?
- Review licensees’ past actions compared to each other and to unregulated businesses
 - Will issue questionnaire to licensees of cost mitigation actions – have they taken these steps?
 - Assess whether they are consistent with the principles and review for efficiency
- Consider policy options in light of our findings

Other application issues

- Further thinking to be set out and consulted on in next DPCR5 Policy Paper, including:
 - Deficit recovery periods
 - Pay-as-you-go vs. RAV additions
 - Process for accepting revised valuations in lieu of last full triennial valuation
 - Ex post adjustment on £m or contribution %age
 - Stranded surplus – do we need to set out an approach in advance?

Read-across of DPCR5 policy

Subject to the conclusions of the RPI-X @20 project, application issues or policy changes arising out of DPCR5 will inform other future reviews (GDPCR2, TPCR5, etc.)

The logo for Ofgem, consisting of the word "ofgem" in a white, lowercase, sans-serif font, centered within an orange rounded rectangle. The background of the slide features a collage of images: solar panels on the left, a hand holding a document on the right, and a blue scalloped object at the bottom left.

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