

Neil Kenward
Director of Strategy and Decarbonisation
Ofgem

Dear Neil,

The Electricity Prepayment Metering Forum (PPMF) welcomes this opportunity to respond to Ofgem's Consultation on **Medium Term Changes to the Price Cap Methodology**. Members have highlighted that *Section 5 - Reducing the notice period to a minimum of 28 days*, poses challenges for the lead times necessary to implement new price cap tariffs, for reasons as under:

A tariff event involves coordination across multiple parties including Ofgem, Energy Suppliers, PPMIPs and NSPs. Each party will have their own element of time required to complete their stage of the process, and the timeline for each element should be carefully considered to determine if the 28 calendar days' notice period is practical. It is suggested that the timeline required for the PPMIP element alone (for example) would be approximately 12-14 calendar days. This does not leave much allocation for parties at the beginning and end of the process to complete their element of the work needed. Further, time required for issue resolution should be included.

Clear and timely communication of the tariff cap and swift agreement of industry tariffs will be critical to ensuring a successful implementation. Each party involved must be able to confirm that it can operate to the proposed effective dates and communicate any deadlines for activities to achieve the final implementation date, for example last date possible date for Tariff file submissions. Scheduled system maintenance and other annual industry processes (e.g. distribution of unallocated funds or end of year system freeze) should also be considered in the timings of instigating a Price Cap change.

Tariff events are a specialised area that need to be well-planned and coordinated. This is often a manually intensive process completed by key, specialist staff and therefore something as simple as annual leave could delay the process.

In conclusion the forum supports the development of a well-defined procedure across all parties involved, to ensure the timescales are achievable.

Kind regards,
Catherine Ward
Chair, on behalf of PPMF