

## Information for new stakeholders not currently in the Spring 2022 disclosure arrangements

1. In May 2022 we published a consultation on the True-up process for COVID-19 related costs<sup>1</sup> which was accompanied by a disclosure process.<sup>2</sup> Earlier this month we published a letter which set out that we had decided to delay the COVID-19 True-up decision until February 2023 and that we would be issuing a consultation in autumn 2022, to consult on our methodology after we received feedback from stakeholders proposing an alternative methodology to calculate the COVID-19 True-up allowance.<sup>3</sup>
2. This letter sets out the disclosure arrangements for this consultation, **for stakeholders who did not participate in the COVID-19 True-up consultation disclosure round in Spring 2022.**<sup>4</sup>

### Context

3. In May 2022, we published a consultation on the True-up process for COVID-19 related costs. Given that our proposals relied on detailed modelling and analysis, we disclosed the key Model and Data that underpinned our proposals alongside the consultation via a confidentiality ring, in order for stakeholders to fully understand them (the **"Spring 2022 disclosure arrangements"**).
4. In our August 2022 letter titled 'notice to delay COVID-19 True-up decision and work on debt-related costs' we outlined that we would be issuing a consultation in the autumn, to consult with stakeholders on our methodology and gather feedback which will help inform our decision in February 2023 on the True-up process for COVID-19 related costs.

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<sup>1</sup> Ofgem (2022), Price cap – consultation on the true-up process for COVID-19 costs.

<https://www.ofgem.gov.uk/publications/consultation-true-process-covid-19-costs>

<sup>2</sup> Ofgem (2022), Price cap - Disclosure arrangements for Spring 2022 consultations.

<https://www.ofgem.gov.uk/publications/price-cap-disclosure-arrangements-spring-2022-consultations>

<sup>3</sup> Ofgem (2022), Price cap – notice to delay COVID-19 true-up decision and work on debt-related costs.

<https://www.ofgem.gov.uk/publications/price-cap-notice-delay-covid-19-true-decision-and-work-debt-related-costs>

<sup>4</sup> Ofgem (2022), Price cap - Disclosure arrangements for Spring 2022 consultations.

<https://www.ofgem.gov.uk/publications/price-cap-disclosure-arrangements-spring-2022-consultations>

5. We are offering an extension to the Confidentiality Ring for the Spring 2022 disclosure arrangements, so that the disclosed COVID-19 True-up Model and Data may be used to review the Autumn 2022 consultation and subsequent decision. As part of this, we will also provide to participants a revised schedule to include the COVID-19 True-up Model and Data as well as a redefined Permitted Purpose.
6. We outline the process below for stakeholders who wish to participate in this extension; we intend that this is a similar process to the Spring 2022 disclosure arrangements.
7. **This does not apply to you if you participated in the Spring 2022 disclosure arrangements.** Instead, you will find separate guidance at '*Information for stakeholders already participating in the Spring 2022 disclosure arrangement*'.

### **COVID-19 True-up: Participating in the Autumn 2022 disclosure arrangements**

8. During the consultation period, we will disclose, through one confidentiality ring (the "COVID-19 True-up Confidentiality Ring"):
  - our modelling and underlying data ("Disclosed COVID-19 True-up Model & Data") to the advisers representing a relevant party. This includes the full COVID-19 True-up model, in the form which underpins our proposals and the underlying data. This is principally data about individual suppliers and is commercially sensitive, so we cannot provide it directly or indirectly to relevant party.
9. If we consider it helpful to provide additional data during the consultation process, we will add it to the Disclosed COVID-19 True-up Model and Data schedules as appropriate.
10. Access to the COVID-19 True-up Confidentiality Ring is provided for the "Permitted Purpose" that is the sole purpose of allowing stakeholders, and/or those on behalf of stakeholders, to review and understand the information underpinning our proposals, in order to:
  - prepare submissions and representations to the consultation; and
  - to enable the stakeholder (if relevant) to prepare and conduct an appeal against any decision we take in connection with the consultations, including an appeal in which the stakeholder is, or is intending to apply to be, an intervener.

### **Compliance Documents**

11. We require stakeholders and each of their advisors to set out in separate "Compliance Documents" how they will comply with the terms of the COVID-19 True-up Confidentiality

Ring. That Compliance Document should describe the arrangements each party has in place to keep the disclosed Model and Data secure. At a minimum, the Compliance Document should explain, briefly:

- Security Arrangements: Processes to store electronic and physical copies of the disclosed material, and in doing so maintain their confidentiality in accordance with the Undertakings;
- Working Environment Arrangements: Processes to ensure that Authorised Attendees can work on the disclosed material and discuss their contents, and in doing so maintain their confidentiality in accordance with the Undertakings; and
- Support Arrangements: Processes to ensure that Authorised Attendees are aware of their responsibilities and the arrangements the Relevant Party has in place, that sufficient monitoring and governance is in place to maintain confidentiality, and that support and guidance is available to authorised Attendees.

12. In assessing these arrangements, we will consider the current circumstances relating to the coronavirus pandemic and the impact it has had on stakeholders. We are aware stakeholders (and their advisers) have instituted arrangements for working from home or may institute a partial return to the office, including where their staff or advisers have confidential data. We expect that information protection measures put in place to take into account working from home arrangements may be suitable for our purposes. Stakeholders need only describe how they would apply those protections in the context of the Confidentiality Ring.

## **Undertakings**

13. Alongside this note we have published the undertakings for those who wish to participate in the Confidentiality Ring. Stakeholders should review those documents to consider the detailed arrangements.

- The Firm Undertakings and Authorised Adviser Undertakings relate to the Disclosed Model and Data.

## **Process for disclosure**

14. Stakeholders wishing to participate in the COVID-19 True-up Confidentiality Ring should:

<b>Deadline</b>	<b>Activity</b>
As soon as possible	Register interest by emailing <a href="mailto:retailpriceregulation@ofgem.gov.uk">retailpriceregulation@ofgem.gov.uk</a>
By Wednesday 24 August 2022	Provide a draft Compliance Document for review by Ofgem. Provide names, roles, and contact details (email addresses) for proposed Attendees and proposed Advisers.
By Thursday 1 September 2022	Provide signed undertakings

### **Contact**

15. All correspondence and expressions of interest should be sent to [retailpriceregulation@ofgem.gov.uk](mailto:retailpriceregulation@ofgem.gov.uk)

Yours faithfully,

**Adrian Leaker**

Head of Price Cap Policy