

*This stakeholder response, originally received by the Authority in the form of an email, is from the Department for the Economy for Northern Ireland.*

At 1.9 the consultation says, inter alia:

However, due to a current lack of CPIH-based estimates, consumer prices index (CPI) will serve as a proxy for CPIH, until CPIH-based estimates become readily available

Then at 1.11 it says:

But in 2003, the UK's inflation target was linked to CPI, and in 2017, CPIH became the headline measure of inflation.<sup>2</sup>

And at 2.9:

The ONS publishes two other measures of consumer prices inflation: CPI; and CPIH. CPI and CPIH are now considered more accurate measures of inflation than RPI.

And at 2.10:

As of 21 March 2017, CPIH became the ONS' lead inflation index. The ONS state that CPIH is the most comprehensive measure of inflation due to it including owner occupiers' housing costs and council tax, which are excluded from CPI. As such, CPIH has been adopted as the UK's lead inflation index.

It seems very odd, and not particularly explained in the consultation, how CPIH could be the UK's lead inflation index, and ONS providing CPIH figures since 2017, but Ofgem should say that there is a lack of CPIH-based estimates.

Additionally, it is not clear what "CPIH-based estimates" are. Are they: projections of values for CPIH for future periods; estimates of current or future CPIH; or estimates of other values based on/multiplied by/divided by CPIH figures (provided by say ONS since 2017).