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Wales & West Utilities (WWU) response to OFGEM RIIO-3 statutory licence consultation

Thank you for the opportunity to respond to this consultation. WWU's comments are provided in the attached spreadsheets together with a mark-up of the PCFH showing typographical errors. Our substantive comments for the PCFH and PCFM are included in the licence response form. Some of the licence and Associated Documents comments are typographical errors, others are more significant and we draw your attention to our key concerns:

- 1) Tax clawback cliff edge created by amendments to the Price Control Financial Handbook needs to be corrected by reinstating a footnote and amending the formula.
- 2) The change to "up to 28 days" for consultations on directions made under licence conditions. This change affects approximately 50 clauses throughout the Special Conditions. This gives Ofgem the ability to set consultation periods that do not give licensees or third parties sufficient time to respond, particularly in cases where Ofgem has not appreciated all of the potential impacts of the direction.
- 3) Removal of SpC8.2 and move of Annual Iteration Process from the licence to the PCFM guidance document which is an Associated Document and can hence be changed by direction. Our concern regarding this change is heightened by the potential for much reduced consultation periods for directions for Associated Documents in point 2 above.
- 4) We also note that there is a heading in the consultation document headed "The use of best versus reasonable endeavours"; however, there is nothing under it. We commented on this issue in our response to the draft licence consultation and in other consultation responses, such as for the RESP licence conditions, and are disappointed that Ofgem has not laid out its position on this important subject.

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We are also aware that licence changes are in process or will result from the following policy areas and the GD3 licence changes need to tie in with these.

- Debt relief scheme – we understand that these may be directed shortly before or after the GD3 licence direction and it is vital that the second direction does not overwrite changes introduced by the first direction.
- RESP related licence conditions – licence changes expected in 25/26
- Digitalisation as a code objective – licence changes expected in 25/26
- Code reform – licence changes expected in 2026

We assume that the GD3 licence drafting teams are discussing timings with the other separate Ofgem policy teams.

Thank you for your attention on these matters.

Attached

1 RIIO-3 Licence Stat Con – Licence Response Form

2 RIIO3 Associated Document Response Grid#

3 GD3 PCFH V1 – WWU mark up typos

Yours sincerely,



Richard Pomroy
Regulation Manager
Wales & West Utilities