

Email: [priceprotectionpolicy@ofgem.gov.uk](mailto:priceprotectionpolicy@ofgem.gov.uk)

Date: 25 March 2026

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## Disclosure Arrangements for 2026 consultation on the review of historical debt related costs

1. Alongside this document we have published a consultation seeking stakeholder views before confirming decisions on the true-up of the debt-related cost adjustment present in the price cap between April 2022 and June 2025.
2. This letter sets out the disclosure arrangements relating to this consultation. **For the avoidance of doubt, this disclosure exercise will be running concurrently with the consultation. To accommodate the disclosure exercise, the consultation period extends from the 25 March to 16 June 2026.** If you wish to participate in the disclosure process for this consultation, you will need to submit compliance documents and legal undertakings. Please see the below sections relating to the debt-related costs true-up review, compliance documents and undertakings for further information.

### Context

3. We previously published our decision to introduce a temporary debt-related cost adjustment to the price cap for debt-related costs incurred between April 2022 and March 2024 to take effect from 1 April 2024 and to last for 12 months.<sup>1</sup> We subsequently published a decision to extend the period of the temporary adjustment until the implementation of the operating costs review or September 2025, whichever was sooner.<sup>2</sup>

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<sup>1</sup>Ofgem (2024), "Energy price cap: additional debt costs review decision", <https://www.ofgem.gov.uk/decision/energy-price-cap-additional-debt-costs-review-decision>

<sup>2</sup>Ofgem (2025), "Decision to extend the additional debt related costs adjustment allowance", <https://www.ofgem.gov.uk/sites/default/files/2025-02/Energy-price-cap-additional-debt-related-costs-extension-decision.pdf>

4. Finally in May 2025 we published our decision to introduce a new operating cost and debt allowances to take effect from 1 July 2025, resulting in the removal of the temporary debt-related cost adjustment from the price cap.<sup>3</sup>
5. We have now collected supplier reported debt-related costs covering the whole period that the temporary adjustment was in place and so are able to consult on our review of whether the value of the temporary debt-related cost adjustment was appropriate and therefore whether any further adjustment is justified.
6. Our proposals for the consultation rely on detailed modelling and analysis. For stakeholders to understand our proposals, we consider it necessary to disclose the key models and data that underpin them.

### **Debt-related costs true-up review: Participating in the Spring 2026 disclosure arrangements**

7. During the consultation period for the debt-related costs true-up review, we will disclose the following:

#### **Models and Data**

- As there is previous precedent for sharing **debt** data, and it is less competitively sensitive in terms of commercial decision making, we plan to disclose the full model and a breakdown of component data (working capital, admin and bad debt charge by supplier).
  - We plan to anonymise data and intend to ensure appropriate security arrangements and safeguards are in place to keep disclosed model and data secure. Ofgem will do this by setting up confidentiality rings which will allow stakeholders (appointed advisers on behalf of suppliers, or other interested parties) to access our model/and or data. We would expressly prohibit disclosure of raw data by advisers to the supplier or participating stakeholder.
8. If we consider it helpful to provide additional data during the consultation process, we will add it to the information protected by the confidentiality ring through the relevant undertakings.

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<sup>3</sup> Ofgem (2025), "Energy price cap operating cost and debt allowances decision: overview", [https://www.ofgem.gov.uk/sites/default/files/2025-05/Energy-price-cap-operating-cost-and-debt-allowances-decision-overview\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/2025-05/Energy-price-cap-operating-cost-and-debt-allowances-decision-overview_0.pdf)

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9. Access to the debt-related costs true-up review confidentiality rings is provided for the sole purpose (the "Permitted 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 consultation, including an appeal in which the stakeholder is, or is intending to apply to be, an intervener.
10. Should a breach of the relevant undertakings occur (i.e. unauthorised disclosure of the protected information), there is the potential for a Competition Act 1998 infringement. Such a breach could result in a fine of a 10% turnover, and any infringement would be likely to be seen as aggravated given the circumstances in which this data is being disclosed. Unauthorised disclosure of the relevant information is also likely to be an offence under section 105 of the Utilities Act 2000.

## **Compliance Documents**

11. We require stakeholders and each of their advisers to set out in separate "Compliance Documents" how they will comply with the terms of the debt-related costs true-up review confidentiality rings. The Compliance Documents should describe the arrangements each party has in place to keep the disclosed material secure. At a minimum, the Compliance Documents 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 and authorised Advisers (as defined and described in the undertakings) can work on the disclosed material and discuss their contents, and in doing so maintain their confidentiality in accordance with the undertakings.
  - **Support Arrangements:** Processes to ensure that Authorised Attendees are aware of their responsibilities and the arrangements the Relevant Party (as defined in the undertakings) has in place, that sufficient monitoring and

governance is in place to maintain confidentiality, and that support and guidance is available to Authorised Attendees.

We have published some guidance on this, alongside this Notice.

## **Undertakings**

12. Alongside this note, we have published the undertakings for those who wish to participate in the confidentiality rings for the 2026 debt-related costs true-up review consultation. Stakeholders should review those documents to consider the detailed arrangements.

- The Relevant Party Undertakings and Authorised Attendee Undertakings relate to the disclosed debt-related costs true-up models.
- The Firm Undertakings and Adviser Undertakings relate to either the data or both the data and models for the disclosed debt-related cost true-up review.

## **Process for disclosure**

13. Stakeholders wishing to participate in the debt-related costs true-up review confidentiality rings should:

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Deadline	Activity
As soon as possible	Register interest by emailing <a href="mailto:priceprotectionpolicy@ofgem.gov.uk">priceprotectionpolicy@ofgem.gov.uk</a> , specifying whether they seek access to the data and models for the disclosed debt-related cost true-up review.
By Thursday 21 April 2026	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 21 April 2026	Provide signed undertakings.

## Contact

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

Kind regards,

**Daniel Newport**

Head of Price Protection Policy