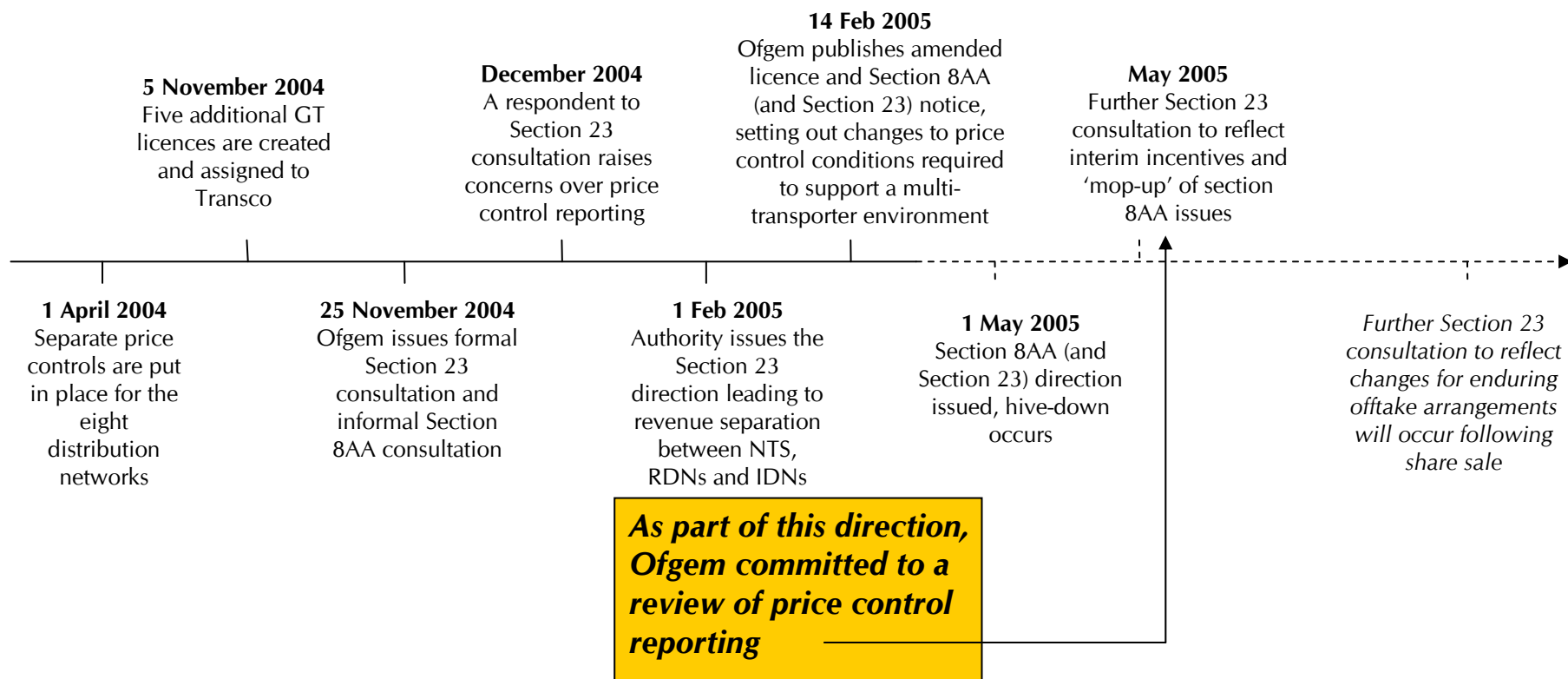


Price control licence conditions

Development & Implementation Steering Committee
8 March 2005

Evolution of price control conditions



Dates shown on dotted lines are indicative only. Nothing in this presentation shall fetter the discretion of the Authority

Reporting requirements

- SpC 33 of Transco's existing GT licences contains details of price control parameters that must be reported by the licensee. Currently, required additional information is requested under other parts of the licence, or as needed.
 - Under the proposed licence restructuring currently under consultation, SpC 33 will be removed and replaced by SpC C14 (NTS) and SpC E6 (DN)
 - In light of respondents' views on the Next Steps licence consultation, Ofgem committed to review the reporting requirements within the price control conditions as part of subsequent Section 23 consultation(s)
- This review provides an opportunity to formalise the reporting of additional parameters, and to set a consistent standard for future requirements

Future guidelines

- All basic data items to be explicitly reported
- Selected higher level calculation results also to be reported
- Parameters to be added to C14 and E6 to make current reporting consistent with these guidelines
- Changes or additions to formulae in price control conditions C8B (NTS) and E2B (DN) will be reflected in C14 and E6 as required, consistent with these guidelines

Way forward

- Provisional drafting is provided for review
- Subsequent drafts associated with the interim incentive regime will be returned to DISG in the next few weeks for further review
- Changes to the licence drafting will be formally consulted upon during the May Section 23 licence consultation.

A large, central version of the ofgem logo is positioned in the middle of the slide. It features the word "ofgem" in white lowercase letters on a rounded orange background. The background of the slide is a light blue gradient with a faint image of a power plug and a person sitting at a desk.

Promoting choice and value for all
gas and electricity customers