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value for all customers*

Consumers and their
representatives, electricity and
gas distribution network
operators, owners and operators
of transmission networks, owners
and operators of distributed
energy systems, generators,
electricity suppliers, employees
and trade unions and any other
interested parties

Our Ref:
Direct Dial: 020 7901 7209
Email: sian.bailey@ofgem.gov.uk

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Dear colleague

Price Control Pension Principles Third Seminar

On 31 July 2009, we published our second consultation document¹ on our Price Control Pension Principles¹. The consultation has closed and responses are posted on our website.

As part of the ongoing consultation process, on 8 September, we held our second seminar. This was well attended by representatives of all major stakeholder groups. That seminar and the consultation responses are informing our thinking on how to apply the pension principles, which cover all the price controlled energy networks. Slides are on our website.

There will be a further consultation in October, in which will set out our minded to decision for the Distribution Price Control Review (DPCR5), which we are currently undertaking, to set the price controls for the electricity distribution companies for 2010-2015.

We stated in the July consultation paper and at the seminar that we would hold a further seminar during the consultation period to discuss the issues raised in the document and to engage with all interested stakeholders and encourage discussion to inform our thinking.

I can now confirm that we intend to hold the next seminar on 9 November 2009 at 11:00 in our London Office. The structure of the seminar will be advised nearer the date. It will include a question and answer session.

Following the October consultation and the seminar on 9 November, we will set out our decisions on the treatment of pension costs in DPCR5 in the Final Proposals due to be published at the end of this year.

¹ Price Control Pension Principles Second consultation document reference 96/09

Attendance

If you would like to attend the 9 November seminar then please could you confirm this to sian.bailey@ofgem.gov.uk by **5pm** on **Friday 30 October 2009**. Further details will be sent once place(s) are confirmed. Please note no more than two places per respondent.

Yours faithfully



Rachel Fletcher
Partner, Distribution