

Draft terms of reference for the Price Control Review Forum

Purpose

The functions of the price control review forum (PCRF) include:

- to provide the opportunity for network companies and their stakeholders to feed directly into the price control review process either on specific issues or across a wide range of issues;
- to allow Ofgem and network companies to hear firsthand the views of interested parties;
- to provide an opportunity to bring together all aspects of stakeholder engagement being undertaken by Ofgem, network companies and interested third parties;
- to allow Ofgem to evaluate its outputs and incentives proposals and for Network Operators to evaluate their business plans (although much of this will be the responsibility of network companies in their own engagement); and
- an opportunity to discuss the output tradeoffs that may need to be made in the review, in light of competing stakeholder interests, and to fully understand the reasons behind different views.

The forum's role is advisory and while Ofgem will consider the views raised in the PCRF there is no obligation for Ofgem to accept the views raised by the group.

Representatives on the group are also encouraged to make separate responses to Ofgem's price control consultations.

Scope

- The PCRF will meet at key points in the price control review process;
- Members will be able to learn about and comment on research done by network companies and Ofgem;
- The PCRF will provide an opportunity for members to table papers for discussion;
- Members will get updates from Ofgem on emerging thinking and will have the opportunity to discuss and influence our thinking; and
- The PCRF will enable network companies to give presentations e.g. on their business plans.

Objectives of the PCRF

For forum

- Review Ofgem's and network operators' research findings; and
- Provide feedback on Ofgem's emerging thinking.

For Ofgem

- Opportunity for Ofgem to explain how our proposals are being shaped by industry and stakeholder views.

For network operators

- GDNs/TOs present the feedback they are getting from their own stakeholder engagement;
- Provide information on how they run their businesses to facilitate better understanding among the stakeholders to enable them to effectively engage; and
- Provide their views on Ofgem's proposals.

Membership and structure

Chair and secretariat functions of the PCRf are discharged by Ofgem. We intend to develop the agenda and papers for the PCRf and will circulate a draft agenda two weeks before a PCRf meeting seeking views from attendees about any other issues they would like to raise or present at the meeting. We will circulate a final agenda and the papers one week before the meeting. We will take notes of the meeting and aim to circulate a summary of discussions to members two weeks after the meeting for comment. We will then publish the summary on our website.

Expectations of PCRf members

- We would expect PCRf members to play a role in canvassing the views of other originations active in the area they represent (not just their own organisation) to feed into Forum discussions.
 - We will help to facilitate this by circulating reading material and questions for discussion at least one week before the forum meeting
 - In addition, where appropriate, we will forward questions from other stakeholders to the forum representative active in their area
- We would expect PCRf members to play a role in reporting back key messages from the Forum to other groups active in the areas they represent.

As an example, the shipper representative would report back to all shippers and represent all shipper views on the group and not just their own company interests.

Dates of meetings

The first PCRf meeting will take place at Ofgem's Millbank offices on Thursday 4 November 2010 with further sessions currently scheduled for:

- January 2011
- May 2011
- October 2011
- January 2012
- June 2012

- October 2012

Membership

In our 30 July 2010 open letter consultation Ofgem invited stakeholders to express an interest in being on the PCRf. After considering expressions of interest, Ofgem has approached representatives to join the group for the first meeting.

A list of the forum members can be found in the Annex of this letter.

While membership for the first meeting is now closed other stakeholders may express an interest to join future meetings. Expressions of interest should include information on:

- who they represent;
- what their interest in the price control review is;
- how they will co-ordinate the comments they receive from the stakeholders they represent and how they will feedback the discussion from the PCRf meetings;
- whether they have experience of undertaking a similar role before; and
- what they can bring to the group.

We will review the effectiveness and composition of the forum membership after the first meeting. Membership of the forum is not necessarily permanent and Ofgem may, at its discretion, seek to change it.

Annex - Membership of the second PCRF

Name	Organisation	Representing	
Steve Edwards	WWU	Gas Distribution network company (GDN)	1
Colm Gibson	LECG	Consultant	2
Rob McDonald	SSE/NSHEB/Scotia	Transmission operator (TO)	3
Scott Mathieson	SPT	TO	4
Paul Whittaker	National Grid	TO	5
Stephen Parker	NGN	GDN	6
Martin Atkinson	SBGI (onshore gas industry)	Onshore gas industry	7
(One of) Paul Hawker/ Nicola Robinson/ Tom Luff	DECC	Central Government	8
Jonathan Stern	Committee on Climate Change	Environmental groups	9
Either Guy Nicholson/Alex Murley	RenewableUK	Renewable energy producers	10
Ulrika Diallo	Federation of Small Businesses	Small energy users	11
Tim Dewhurst	Centrica	Supply businesses	12
Stephanie Trotter	CO-Safety	Carbon monoxide issues	13
Lynn Griffiths	CO-awareness	Carbon monoxide issues	14
Eddie Proffitt	Major Energy Users Council	Medium and Large Energy users	15
Gary Smith	GMB	Unions	16
Colin Connor	HSE	Government	17
Stefan Leedham	EDF	Electricity generators. Gas shippers and Distribution network operator (DNO). Gas Forum	18
Either Richard Hall/Cem Suleyman	Consumer Focus	Consumer Groups	19
Ruth Chambers	Campaign for National Parks	Local and national environmental groups	20
Simon Roberts	Ofgem's Consumer Challenge Group	Specialists in consumer issues	21
Michael Dodd	ESBI	Electricity generators	22
Either Nigel Cornwall/ Ed Reed	Cornwall Energy	Small Energy Suppliers	23
Helen Inwood	RWE npower	Supply businesses	24
Jacopo Vignola	Centrica storage	Gas storage	25
Neil Griffiths-Lambeth	Moody's	The City	26