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Date: 08 June 2012

Dear Joanna

Mitigating network charging volatility arising from the price settlement – consultation response

This letter gives Northern Powergrid Holdings Company's response to the consultation, on behalf of Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc.

We welcome Ofgem's review of network charging volatility and acknowledge that it is one of the key issues raised by energy supply businesses through the recent RIIO stakeholder engagement. We agree that network charging volatility, particularly the ability to predict charges reasonably accurately, is an important issue for suppliers, and ultimately energy consumers. We wish to work with Ofgem and supply companies to ease this burden and we are broadly supportive of measures which increase planning certainty for suppliers whilst not imposing additional costs or penalties on network operators.

In the consultation paper, you identify a number of options that could help mitigate network charging volatility, or its effects, arising from the price control settlement (while maintaining the benefits of the RIIO framework including strong incentives for delivering efficiently). The scope of the problem can be categorised into four distinct areas, namely: the structure of the price control; the charging methodology itself; the tariff structure; and the customer behaviour (i.e. unpredictability of network use by end users due to economic and environmental factors). We note that this consultation is only considering the impact of the price control settlement.

Of the five options identified below Ofgem consider that the first three would reduce risk to suppliers, by improving the predictability of changes, with limited impact on network operators (NWO's).

1. Improving information for suppliers and customers;
2. Restricting the frequency of intra-year charge changes;
3. Increasing the lag on incentive rewards/penalties that networks recover through allowed revenues;

4. Increasing the lag on adjustments to allowed revenues from uncertainty mechanisms; and
5. Imposing a cap and collar on changes to allowed revenues.

We have therefore focused on the first three options in this letter but Appendix 1 provides a detailed response to all of the questions raised in the consultation.

Improved information (and potential further developments)

We agree that improved information provision in relation to the expected changes to NWOs' allowed revenues (option 1) could reduce risk to suppliers, by improving the predictability of changes, without any concomitant increase in risk to NWOs. That said, whilst better information provision for all sectors may improve the predictability of changes to charges, the overall efficiency of the process must also be considered. Providing particular information may involve a relatively high overhead for NWOs, which would ultimately be borne by end customers. Making use of highly detailed information could also represent an overhead for supply businesses, creating a disadvantage for smaller suppliers and ultimately also leading to costs that would be borne by end customers. Information should only be provided where the benefits overall outweigh the costs, and so the responses from supply businesses as to what information might be helpful will be useful in starting to evaluate this option.

In terms of the data Ofgem have identified as already being provided by electricity distribution companies, it is not complete. The consultation rightly refers to the charging notice periods in the Licence and the distribution connection and use of system agreement (DCUSA) and the DCP066 quarterly cost reports. However, it is missing the production of the Annual Review Pack (ARP) that is detailed in Schedule 20 of DCUSA with the production timetable set out in in section 35B.

The ARP is a document (spreadsheet) that has to be completed by each DNO Party giving indicative and final use of system charges to apply pursuant to the charging methodology set out in Schedule 16 of DCUSA (the common distribution charging methodology (CDCM)). The pack contains detail of historical and forecast CDCM inputs and a forecast of use of system tariffs for the next 5 years. Because the excel spreadsheet is published this is an ideal tool to allow suppliers to run different forecast scenario's and judge the potential future impacts on individual charges.

It is also worth noting that we regularly (at least annually) host charging workshops with stakeholders, to explain our charges, forecasts and disseminate information. These workshops have received positive feedback. We would be happy to share this feedback with Ofgem.

Whilst there are differences in the notice periods of when indicative charges are set and final charges are communicated for each network sector caution needs to be exercised if consideration is given to extending the indicative charges notice period as this will not necessarily reduce volatility. In fact the introduction of a greater indicative charges notice period could result in more volatility as there are more likely to be changes between indicative and final charges, especially given the fact that there is most uncertainty over the volatile winter period. Perhaps an option not considered by Ofgem and worthy of investigation is to increase the materiality thresholds at which changes can be made between indicative and final charges (effectively making the indicative charge more certain). This would only be acceptable however provided that the effects of inflation continue to be factored into allowances and that there is an equal and opposite relaxation in the penalties network operators face for under/over recovery of charges. We would be keen to work with stakeholders to develop this option.

Restrictions on intra-year charge changes

In terms of imposing restrictions on intra-year charge changes (option 2) we agree that it has the potential to both improve the predictability of charge changes and reduce the frequency of changes thus reducing suppliers' risk exposure but with a limited increase in NWO cash-flow risk. As long as we continue to be protected from the effects of inflation on the delayed revenue, and provided mitigating action is taken to avoid the significant increase in the risk borne by NWOs, then Northern Powergrid is happy to support this option. Specifically, if this option is taken it must be accompanied by significant relaxation in the over-under recovery penalty charges, due to the fact that (as pointed out in the consultation) mid-year tariff changes are generally made to comply with our limitations under the licence for over and under-recovery beyond which penalty changes are incurred.

We would also note that the Electricity charging methodology has been taken into open governance and therefore major changes to the charging methodology which affect the predictability of charges are not necessarily in the control of electricity distribution network operators (DNOs).

Where possible we try to avoid introducing mid-year tariff changes, but it is not always possible. An unintended consequence of limiting the number of tariff changes could be a rise in year-on-year tariff volatility as the level of over or under recovery was balanced.

Lagging of rewards and penalties

With regards to a more systematic approach to the lagging of rewards and penalties associated with incentive mechanisms (option 4) again this could improve the predictability of charge changes with very limited or no additional cash-flow risk for NWOs. That said, we do not believe that all incentive mechanisms have to be treated the same. Consideration should be given to the magnitude and likely impact of each specific incentive along with the potential materiality of its impact on charges. Consideration should also be given to balancing the financial impact of the incentive against the additional complexity brought about by lagging the incentive.

Finally, in terms of the timing of implementation in the consultation Ofgem state that there are two opportunities to introduce each option: introduce licence changes prior to the next price control (i.e. before 1 April 2015), or introduce for the start of RIIO-ED1 on 1 April 2015. We consider that if stakeholders see merit in such changes then we would have no objection in supporting their implementation (alongside the protections we have outlined) prior to RIIO-ED1. ***Conclusions***

In conclusion, we are supportive of improving information for suppliers and customers provided that the potential benefits overall outweigh the costs to all parties. We are also generally supportive of measures that increase planning certainty for suppliers such as longer notice periods or the restriction of changes within years so long as they are companied by measures that protect the network operators’ revenue against the effects of inflation and relax the penalties on over/under recovery that were designed for a regime with greater degrees of freedom

We note that limiting the number of tariff changes could also have the unintended consequence of increasing year-on-year tariff volatility as the level of over or under recovery was balanced. Finally we can see the benefits of increasing the lag on incentive rewards/penalties that networks recover through allowed revenues.

I trust this provides you with sufficient information at this time to further your thinking; if you have any queries or concerns regarding the above, or if you would like to arrange a meeting to discuss the content of this letter, please do not hesitate to contact me.

Regards

Harvey Jones

Harvey Jones

Head of Network Trading

Appendix 1 – responses to specific questions

Question 2.1: Have we correctly characterised the scope of the problem we are trying to address?

The scope of the problem can be categorised into four distinct areas, namely: the structure of the price control; the charging methodology itself; the tariff structure; and the customer behaviour (i.e. unpredictability of network use by end users due to economic and environmental factors). All of these factors add to volatility of end-user and supplier charges.

This consultation is focused on the price control. In paragraph 2.4 you describe how in the price control review, you set allowed revenues to enable NWOs to recover the efficient costs of running their network and delivering agreed outputs. You go on to say that allowed revenues are not fixed for the duration of the price control period and that they can change for a number of reasons, including: annual indexation; changes to financial arrangements; pass-through costs; incentive mechanisms; funding for innovation; correcting for NWOs' forecast error in relation to demand; and adjustments due to uncertainty mechanisms.

Whilst the above is a comprehensive list of factors the profiling of revenues in the final price control settlement should also be considered as part of the scope of the problem, that you are trying to address, as this can also lead to year-on-year price volatility (albeit that it is reasonably transparent and predictable).

Question 2.2: Are there certain market segments or groups of customers that are particularly affected by charging volatility?

All market sectors are impacted by the revenue allowance as both the common distribution charging methodology (CDCM) and extra-high voltage distribution charging methodology (EDCM) include an element of revenue reconciliation to balance forecast recovery and expected allowances which is applied to all tariffs.

The answer to this question would be different if you were considering the charging methodologies as the smaller customer groups (i.e. those that contain the fewest numbers of customers) are likely to see greatest volatility as a change in behaviour by one customer has a bigger impact.

Question 2.3: Do you agree with the assessment criteria? Are there additional criteria that we should adopt for our final assessment?

The assessment criteria appear reasonable. The complexity angle is interesting as the consultation only appears to be considering this with regards to regulatory cost, transparency and predictability not the cost-reflectivity of the charges which is a key driver on charge setting.

Question 3.1: Do you have any further suggestions of what could be done to mitigate network charging volatility arising from the price control settlement?

Perhaps an option not consider by Ofgem and worthy of investigation is to increase the materiality thresholds at which changes can be made between indicative and final charges (effectively making the indicative charge more certain). This would only be acceptable however where the effects of inflation continue to factored into allowances and there was an equal and opposite relaxation in the penalties network operators face for under/over recovery of charges. We would be keen to work with stakeholders to develop this option..

Question 3.2: Do you agree with our initial assessment of each option?

Our views on each option and our answers to the specific questions raised are detailed in the responses to the specific questions below.

Specific questions in relation to option 1: Improved information provision

Question 3.3: Do code and licence charge notification differences in each network sector create problems in managing charge changes?

Whilst there are differences in the notice periods of when indicative charges are set and final charges are communicated for each network sector caution needs to be exercised if consideration is given to extending the indicative charges notice period as this will not necessarily reduce volatility. In fact the introduction of a greater indicative charges notice period could result in more volatility as there are more likely to be changes between indicative and final charges, especially given the fact that there is most uncertainty over the volatile winter period.

Question 3.4: What information would you like the network operators to provide, that they currently do not, in order to help improve predictability of network charges for different customer groups? This should include:

- **a) what information you would like to see in their business plan submissions, and**
- **b) what information you would like to see provided on an ongoing basis.**

Before answering the question it is worth pointing out that the data you have identified that an electricity distribution company provides is not complete. Whilst the consultation rightly refers to the charging notice periods in the Licence and DCUSA and the DCP066 quarterly reports which contain a five year forecast of the components of total allowed revenues there are addition requirements on the DNO's in terms of information provision.

Specifically, the main omission relates to the production of the Annual Review Pack (ARP) that is detailed in Schedule 20 of DCUSA with the production timetable set out in in section 35B.

The ARP is a document (spreadsheet) that has to be completed by each DNO Party giving indicative (when first published in accordance with Clause 35B) and final (when updated in accordance with Clause 35B) Use of System Charges to apply pursuant to the Charging Methodology set out in Schedule 16 (the “CDCM”). The pack contains detail of historical and forecast CDCM inputs, and a forecast of use of system tariffs for the next 5 years. Specifically the ARP contains:

- historical CDCM input information for a minimum period of 3 years, and a 5-year forecast of the CDCM inputs, which will (in each case) be provided in a spreadsheet format and contain the CDCM input sheets in a format that can be directly copied into the CDCM model;
- CDCM tariffs and typical bills for each tariff in each year of the 5-year period covered by the Annual Review Pack;
- functionality to allow users the ability to update the forecast CDCM inputs and view the resultant impact on Use of System Charges and typical bills;
- a 5-year forecast of the retail prices index (RPI), and a link between that forecast and any of the CDCM inputs which the DNO Party believes relate to RPI, so that users are able to update the RPI forecast in such a way that it automatically updates the relevant CDCM inputs;
- a commentary on the forecast for each CDCM input via individual comments; and
- details of the expected time bands (as referred to in the CDCM model) that will be used in each of the 5 years covered by the Annual Review Pack.

The forecast CDCM input data is provided by DNO Parties based on their own perception of how the CDCM input data may change over the 5-year period covered by the ARP. The format of the annual review pack is common, but the actual forecast will is specific to each DNO Party to allow that DNO Party flexibility to express its own views and to provide a realistic forecast.

Because the excel spreadsheet is published this is an ideal tool to allow suppliers to run different forecast scenario’s and judge the potential impact on individual charges.

Returning to the question raised, whilst better information provision for all sectors could improve the predictability of changes to charges caution needs to be taken when asking what information stakeholders would like network operators to provide. There is a significant risk that this just becomes a wish list with no justification provided as to why the information would be helpful and to what purpose it would be used.

Once we have more detail on the information that is likely to be required we will be in a better position to decide what is involved in its production and the associated overheads and costs.

It is also worth noting that we regularly host charging workshops with stakeholders, which have received positive feedback.

Question 3.5: What information do you think we could provide, that the network operators cannot, that would benefit you in terms of improving predictability of network charges?

Not applicable to DNOs, question is directed at suppliers.

Specific questions in relation to option 2: Restricting the frequency of intra-year charge changes

Question 3.6: In the last five years how frequently have networks introduced intra-year changes? What were the main reasons for these changes?

Where possible we try to avoid introducing mid-year tariff changes, but it is not always possible. In the last five completed regulatory years (i.e. from April 2007) we have introduced two intra-year tariff changes, in July 2007 and October 2011. One of the reasons for the 2011 change was to implement a DUCSA change proposal that had a 1 October 2011 implementation date.

The table below, for completeness, shows a history of intra-year tariff changes and the details the main reasons for the changes.

Year	Northern Powergrid (Northeast)	Northern Powergrid (Yorkshire)
2007	2.5% increase in July 2007 to balance revenue allowances (primarily due to an increase in the prior year correction driven by better than anticipated performance against incentive mechanisms). Consideration was given to announcing a tariff change in February 2007 to take effect in April 2007 (i.e. a change between indicative and final charges), but we thought that this would have been more disruptive to suppliers as it would have only given 40 days prior notice. So, at the time of communicating final charges for April 2007 we indicated our intention to introduce a further change to charges during the year.	2.8% increase in July 2007 to balance revenue allowances (primarily due to an increase in the prior year correction driven by better than anticipated performance against incentive mechanisms). Consideration was given to announcing a tariff change in February 2007 to take effect in April 2007 (i.e. a change between indicative and final charges), but we thought that this would have been more disruptive to suppliers as it would have only given 40 days prior notice. So, at the time of communicating final charges for April 2007 we indicated our intention to introduce a further change to charges during the year.
2008	No intra-year changes	No intra-year changes
2009	No intra-year changes	No intra-year changes
2010	No intra-year changes	No intra-year changes
2011	5.0% increase in October 2011 to balance revenue allowances, to correct an error in the charging model and to implement the Authority direction in accordance with paragraph 22.14 of standard condition 22 of the electricity distribution licence, that DCUSA modification	4.4% increase in October 2011 to balance revenue allowances and to implement the Authority direction in accordance with paragraph 22.14 of standard condition 22 of the electricity distribution licence, that DCUSA modification proposal DCP071A: ‘Allocation of Cost to HV

Year	Northern Powergrid (Northeast)	Northern Powergrid (Yorkshire)
	proposal DCP071A: 'Allocation of Cost to HV Connected LDNOs with LV End Users' be made and that it should be implemented from October 2011.	Connected LDNOs with LV End Users' be made and that it should be implemented from October 2011.
2012	Still to be decided	Still to be decided

Question 3.7: Are there any business processes that would mean only allowing one change per year on 1 April would not be feasible?

The price control framework is embodied in several charge restriction conditions (CRCs) and standard licence conditions (SLCs) of the Electricity Distribution Licence (the licence). The CRCs prescribe revenue allowances and parameters and how the revenue allowances may be adjusted for a range of factors, including a company's performance under various incentive mechanisms. The CRCs also set out obligations on DNOs from 1 April 2010, including the setting of distribution charges in a way that is consistent with their revenue allowance.

Limiting the number of tariff changes allowed, within a year, would increase a DNOs' exposure to financial penalties (in the form of penal interest rates) associated with any under and over recoveries of allowed revenue set out in CRC14. Limiting the number of changes could also have the unintended consequence of increasing year-on-year volatility as the level of over-under recovery was balanced.

Often the reason for the level of over/under recovery is outside of a DNOs control (i.e. customers electricity demand response to the weather). The introduction of the CDCM moved the balance of income recovery between charging elements. In Northern Powergrid pre CDCM we recovered circa 50% of our revenues from the fixed charge elements of the tariff and 50% from unit charges. Following the introduction of the CDCM this moved to 80:20 (unit:fixed) which means that we are now far more susceptible to unusual weather conditions, especially in the winter period. Weather conditions have been known to impact revenue recovery by circa £2m per month per licence (i.e. circa 7%-9% of average monthly allowed revenues dependent on the licence area).

Question 3.8: Do you think that there should be exemptions that would allow for changes due to specific events? Do you think these events should include the occurrence of errors when calculating charges or changes to the charging methodologies? Are there any other events that should potentially be exempt?

If it is decided to move to an annual tariff change the licence should always include a facility to request an alternative approach in special circumstances, where it can be demonstrated that it is a more appropriate course of action. If this facility was not included then the two main areas of concern are around the regulatory and cost reflectivity angles.

- From a regulatory perspective the concern is related to our ability to meet the requirements of the distribution licence. We are currently empowered to set tariffs to recover allowed revenues. The control on this is the applicability of penalties if over/under-recovery goes outside defined limits. Not having some provision would seriously impair our ability to interact with this control.
- From a cost reflectivity perspective, it has the potential to distort the charging mechanism as some customers would be paying more than they should be and vice versa.

Question 3.9: Do you agree with our proposed change to the penalty for over or under recoveries were this option to be implemented?

The consultation talks about relaxing the penalty rate for over/under recovery of allowed revenue by keeping the penalty rate but widening the band before the penalty is applied. Whilst widening the band is a sensible suggestion consideration should also be given to reducing the penalty rates, especially if the recovery of the over/under-recovery is going to be lagged by an additional year.

Question 3.10: Do you agree with our initial view that there should be a two year lag on adjustments due to the over or under recovery of revenue through the correction factor?

Again this appears to be a sensible solution provided that the DNO is not disadvantaged from carrying forward the interest and penalty payments for an additional year. This could be achieved by wider bands for under/over recovery, and/or a less penal interest rate on under/over recoveries outside of the bands. This need not affect the incentives DNOs currently have to forecast accurately since any under/over recovery would have to be carried forwards for twice as long.

Question 3.11: Are you aware of any errors that have been made when calculating network charges in sectors other than electricity distribution?

No, we are not aware of errors in any other market sector.

Question 3.12: Do you think that introducing an additional licence condition to penalise NWOs when they make charge calculation errors is warranted?

The introducing the new charging methodologies, in electricity distribution, has increased the transparency and complexity of calculating use of system charges. This is not an automated process so requires considerable human input. Errors are never intentionally introduced, but equally the risk can never be totally removed despite the best endeavours of companies. Rather than introducing penalties Ofgem should maintain a facility whereby if an error occurs DNO’s must communicate it to them and where they deem it to be a material enough issue they have the option to consult with the industry before providing direction to the DNO on the most appropriate course of action. The suppliers' protection is the notice periods that DNO's have to recognize before we change tariffs and Ofgem's consultative process before it reaches any important decision.

It should also be noted that the DNOs charging methodologies are now subject to an open governance process under DCUSA and can be made more complex and less predictable as an unintended consequence of changes. Ofgem should consider "reducing complexity" as an additional objective when approving the DCUSA changes in order to ensure that charges become more predictable by suppliers and end-users over time.

Specific questions in relation to option 3: Increasing the lag on changes due to incentive rewards or penalties

Question 3.13: What do you consider to be an appropriate notice period for changes to allowed revenues?

We do not believe that all incentive mechanisms have to be treated the same. Consideration should be given to the magnitude and likely impact of each specific incentive along with the potential materiality on charges. Network operators should be rewarded, or penalised, for their performance at the earliest opportunity and the financial impact must be adjusted into the appropriate cost base. Consideration should also be given to balancing the financial impact of the incentive and the additional complexity brought about by lagging the incentive.

Applying a two year gap or lag between the year in which performance is being assessed against the incentive target, and the change to allowed revenues and hence charges should provide at least one year's notice of the expected change in charges.

Question 3.14: Do you consider there to be any potential exemptions to our proposal to lag all incentive adjustments?

As stated above we do not believe that all incentive mechanisms have to be treated the same. Consideration should be given to the magnitude and likely impact of each specific incentive along with the potential materiality on charges.

Specific questions in relation to option 4: Increasing the lag on changes due to uncertainty mechanisms

Question 3.15: Do you agree or disagree with our initial assessment of whether a lag should be applied to the following uncertainty mechanisms? Please explain your reasoning.

- **a) indexation**
- **b) pass through costs**
- **c) revenue drivers**

d) within period determinations

e) reopeners

f) innovation funding

The table below shows our initial views on the uncertainty mechanisms raised under option 4 ‘Increasing the lag on changes due to uncertainty mechanisms’.

Mechanism	Comment
Indexation	It is not appropriate to make changes to the approach for the annual indexation of allowed revenues for inflation and cost of debt. These annual changes are predictable as they are based on publically available information. We agree that the small improvement in predictability from lagging would not be warranted given the prospective increase in NWO cash-flow risk and additional complexity.
Pass-through costs	Based on the analysis in table 2.1 of the consultation variations in pass-through costs can have a material (greater than 1%) impact on price movements. Currently the majority of pass through costs are within year adjustments (e.g. a forecast of cost is used when setting charges). There are disadvantages to this approach as any forecasting error will need to be “trued up” via charges in the following year. This is minimised this by providing an ex ante allowance for pass through costs and therefore minimising adjustments. Lagging these adjustments could be beneficial but any adjustment would need to maintain the right cost base.
Revenue drivers	Until the revenue drivers for RIIO-ED1 are proposed it is difficult to comment on this apart from to stress that any decision must be assessed against a firm set of criteria including the potential materiality of the mechanism.
within period determinations	Again these adjustments should be assessed against a firm set of criteria including the potential materiality of the mechanism. If it is deemed appropriate to lag these mechanisms then any adjustment should maintain the right cost base.
reopeners	We agree that any costs recovered through reopener mechanisms is likely to already have been some delay in the recovery of these costs and that it is often funded. Over a number of years. We note that the proposal for the RIIO price controls is that adjustments to revenues to recover these costs are restricted to two opportunities during the price control period and that some form of materiality test/threshold will be in place. The potential long delay in the recovery of costs due to the proposed restriction to two windows is a cause for concern.
innovation funding	Funding for innovation through the Innovation Funding Incentive (IFI) in current price controls and through the Network Innovation Allowance (NIA) in the RIIO price controls is collected within year (i.e. expected spend is forecast for the year ahead and charged to customers within that year). Other funding, through the Low Carbon Networks Fund or Network Innovation Competition, is directed by the Authority in year t-1. Our initial view is, based on table 2.1 of the consultation document, that this category of revenue is not significant enough to consider lagging

Specific questions in relation to option 5: Imposing a cap and collar on allowed revenue changes

Question 3.16: Do you agree or disagree with our initial assessment that the benefits of introducing one of the three options for a cap and collar do not outweigh the drawbacks?

We agree that the benefits of introducing a cap and collar do not outweigh the drawback. In addition if you have introduced lags in some of the other price control mechanism you will have already introduce more predictability, if not stability, into to process. Also, the introduction of caps and collars could limit the regulators opportunity to profile revenues as they did in DCPR5.

Question 3.17: Do you consider there are any other options for the design of a cap and collar mechanism that we have not considered?

There are no obvious ways to introduce caps and collars that would maintain the benefits while at the same time avoid the costs.

Question 3.18: Do you have any views on whether a cap and collar, if implemented, should be symmetric or asymmetric?

We have no views at this time

Timing of implementation:

Question 3.19: Do you agree that if changes are needed in the gas distribution or transmission sectors that they should be implemented on 1 April 2013, the start of the next price control period?

We note that the timeframe for a 1 April 2013 implementation is relatively short. While some changes can presumably be implemented in this timeframe, others may take longer in terms of systems implementation changes of changes to industry governance codes. Implementing all the changes associated with the RIIO price control simultaneously would have the benefit that the whole package can be taken into account by the relevant parties, rather than on a piecemeal basis.

Question 3.20: When should we apply any changes to the electricity distribution sector?

The consultation states that there are two opportunities to introduce each option: introduce licence changes prior to the next price control (i.e. before 1 April 2015), or introduce for the start of RIIO-ED1 on 1 April 2015. We would prefer a clean start rather than phased implementation. Given the fact that Ofgem generally seek to avoid changes to the regulatory framework within the price control period we would be more supportive of an April 2015 implementation. Whilst it would be possible to introduce some of the mechanisms earlier than this date (since they do not require complex licence changes), an April 2015 date would allow parties to put robust process in place prior to implementation, would allow time to ensure that there is no conflict with other industry codes, and would also allow parties to take into account all of the changes resulting from the RIIO-ED1 price control review simultaneously.