

**To: Cadent Gas Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales and West Utilities Limited**

Confirmation of the GD1 Price Control Financial Model

1. The Authority is writing to confirm that we do not intend to make any modifications to the GD1 Price Control Financial Model 'the Model') at this time. We intend to use the Model in its current form when directing MOD following the 2017 Annual Iteration Process, in accordance with Special Condition 2B.
2. However, we have revised the filename of the Model to harmonise it with the naming convention of the equivalent Models for the electricity transmission, gas transmission and gas distribution price controls. The renamed file is published as an appendix to this letter.



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**Ian Rowson
Associate Partner, RIIO Finance & Investor Relations
Duly Authorised on behalf of the Gas and Electricity Markets Authority
12 September 2017**