

Ofgem Update in relation to Actions 0801 and 0802

Action 0801

Ofgem (DON) to see if he can give clarification on the effect of any re-openers (and subsequent changes to allowed revenue) on charges and the timings of any changes, together with clarification as to whether the use of Revenue Recovery Charge (RRC) for recovery of such a change, is likely to be compliant with EU TAR.

- Ofgem published the R11O2 draft determinations in July and are consulting on these until 4 September.
- Ofgem proposed to not update re-openers until determination and to exclude them from any forecasting. Ofgem asked stakeholders for their views on this proposal in Chapter 11 of the Finance Annex (FQ35):
https://www.ofgem.gov.uk/system/files/docs/2020/07/draft_determinations_-_finance.pdf
- Ofgem will consider as and when appropriate whether the use of Revenue Recovery Charge (RRC) for recovery of such a change is likely to be compliant with EU TAR.

Action 0802

DNs and Ofgem to provide clarification of charge setting in the R11O-2 period given the Modification 0678A change; and if there are any proposed changes with the mechanics of setting allowances and true-ups. Response required by 20 August 2020.

- Ofgem published the R11O2 draft determinations in July and are consulting on these until 4 September.
- Ofgem's proposals regarding allowances and re-openers are outlined in Chapter 11 of the Draft Determinations - Finance Annex:
https://www.ofgem.gov.uk/system/files/docs/2020/07/draft_determinations_-_finance.pdf
- These proposals formed part of the wider draft determinations consultation.