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4 November 2016

Dear Colleagues

Consultation on the final 2010-15 reconciliation

Thank you for your consultation published on 2nd October 2016.

I confirm that the adjustments shown in the consultation are as we expected.

In line with our PR19 Final Determination (FD) we expect to make the remaining RCM adjustment at PR19, nevertheless we welcome the flexibility for companies to apply RCM adjustments early without penalty.

Your approach balances the need for companies to retain certainty about the FD cash flows they are accepting, while allowing companies to continue to own their relationships with customers and respond to changed circumstances where appropriate. This will be in customers' long term interests.

Yours faithfully



Phil Wickens
Director of Regulation and Reform

