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Dear James,

Incentive on Connections Engagement (ICE) Guidance Document consultation

In response to your consultation on the ICE Guidance Document we have two substantive comments.

The first of these is a question of policy intent. The drafting in paragraph 1.7 uses the phrase “...where the licensee earns a regulated margin...”. The wording in CRC 2K Margins on licensee’s Connections Activities makes reference to licensees charging a margin of four per cent unless otherwise directed by the Authority. What is the policy intent if the Authority directed that the regulated margin became zero percent, would ICE still apply? The current drafting using the words “earn” could be considered to not apply in those circumstances.

The second comment relates to the definitions of Excluded Market Segments summarised in Table 2 in paragraph 1.10. These definitions are inconsistent with the definitions in the new licence and should be updated to maintain consistency.

There are also a few cross referencing errors contained in the draft.

- Paragraph 1.4 contains a reference to 1.6 which should be 1.5
- Paragraph 1.11 contains a reference to paragraph 1.122, presume this should be 1.12

As always, if you require any further information, please do not hesitate to contact me.

Yours sincerely,

Brian Hoy
Head of Market Regulation