

Emma Christie
The Data Communications
Company
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Email: DCCregulation@ofgem.gov.uk

Date: 30 September 2022

Dear Emma,

Consent given by the Gas and Electricity Markets Authority (the "Authority") pursuant to Licence Condition 19 Part D (Procedure for amending any of the service charges) of the Smart Meter Communication Licence to Smart DCC Ltd.

On 22 September 2022 Smart DCC Ltd ('DCC') requested a reduced Notice period in respect of an additional amendment to the Charging Statement for Regulatory Year ending 31 March 2023 (RY22/23) to reduce the monthly Fixed Charges, to reflect the Alternative Home Network Company's (AlthANCo) amended budget. DCC has proposed that the amended Charging Statement comes into effect on 1 November 2022, resulting in a total Notice period of 21 days.

In accordance with the Licence Condition 19 Part D of the Smart Meter Communication Licence ('Licence'), DCC is obliged to give the Authority Notice, not less than three months before the date on which it proposes to amend its Service Charges, and may only amend charges more than once in a Regulatory Year if the Licensee has first given the Authority a statement of the factors that have led it to conclude that an additional amendment is necessary.

In December 2021, AlthANCo submitted to DCC the Approved AlthANCo Budget RY2022/23, which was used to set charges in the Charging Statement RY2022/23 (issue 1.0)¹. Reductions in the AlthANCo costs during RY2022/23 allowed for a reduction to

¹ DCC Charging Statement RY22/23 which came into effect on 1 April 2022 - <https://www.smartdcc.co.uk/media/7033/cs23-v10.pdf>

charges in the final 5 months of DCC customer invoices for RY2022/23 of £5.152m. DCC has also identified a further £50m of expected underspend from its forecasts, and DCC is therefore due to return £55.152m to its customers.

We have considered whether the proposed changes contained in the request submitted by DCC on 22 September 2022 are consistent with the requirements of DCC's wider licence and statutory obligations. Given that DCC's proposal is reducing the Fixed Charges and benefiting DCC users by returning cash to them earlier than under the standard correction factor process, we consent to a reduced Notice period of 21 days from the date that Notice is provided to the Authority of these changes.

This letter constitutes Notice of the Authority's reasons for the decision pursuant to section 38A Gas Act 1986 and section 49A Electricity Act 1989.

Yours Sincerely,

Ayena Gupta

Head of DCC Oversight and Regulatory Review

Duly authorised on behalf of the Gas and Electricity Markets Authority