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By email only

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OVO response to Ofgem's 'Price cap - November 2022 consultation on approach to reviewing the SMNCC allowances'

Dear Marcus,

OVO welcomes Ofgem's review on the approach taken to assessing and updating the non-pass-through Smart Metering Net Cost Change (SMNCC) allowances and proposing changes to streamline the process.

The proposal to indefinitely pause annual reviews of the SMNCC methodology, as a result of the maturity of modelling changes to smart metering costs, seems a reasonable and balanced approach. We agree that this will reduce the burden on suppliers to fully assess the model each year and participate in the review. The ability to re-introduce the SMNCC annual review in the event that material systematic errors are identified, continues to be required and provides a route to address any significant issues.

OVO are supportive of the changes proposed by Ofgem, and we look forward to engaging with Ofgem on the future review of the operating cost allowance.

Should you have any questions please contact policy@ovoenergy.com.

Kind regards,

Samantha Cannons
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