Decision

Data Communications Company: Regulatory Instructions & Guidance (amendments for the second Price Control Period) - decision

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The Regulatory Licensee Regulatory Instructions and Guidance (RIGs) provide the basis on which the Licensee must report the Price Control Information as required under Condition 23 (Price Control Information) of the Smart Meter Communication Licence 2026 (the Licence).

This document sets out our decision on the RIGs to be used for the second Price Control Period.

We have made these decisions following a public consultation on the proposed changes.

Alongside this document, we have published the updated RIGs guidance, the updated Main RIGs template and a new Annex 1 (Communications Hubs) template.

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Executive summary

The Data Communications Company,[1] the Licensee, is the licensed monopoly provider of communications and data services that underpin smart metering in Great Britain. The Smart Meter Communication Licence (the Licence) requires the Licensee to submit Price Control Information to the Authority ahead of each Price Control Period.

In accordance with Part A, Condition 23 of the Licence, the Licensee must provide detailed Price Control Information to the Authority in accordance with the Regulatory Instructions and Guidance (RIGs) issued by the Authority in accordance with Part B of that Licence Condition. The RIGs provide a structured reporting framework that sets out how DCC must present cost, revenue and operational data to Ofgem, in a consistent and standard format, to support the determination and monitoring of Required Revenue (ReqR) over the relevant Price Control Period.

We used the guidance and templates issued for the purposes of the first Price Control Period as the basis for our consultation, with targeted changes. Following consultation in August 2026 on changes we proposed to make to these templates for the second Price Control Period, we have decided to implement three types of changes:

- **Structural changes to improve transparency and flexibility**: These include introducing 'cost of change' reporting tabs for the existing Service Family Groups and related Uncertainty Mechanism tabs within the RIGs MS Excel reporting template, and the introduction of a new 'Annex 1' for the reporting of communications hubs volume-driven costs
- **Clarifications, corrections and quality-of-life improvements:** These include refinements to the definitions to the External Service Resource and Non-resource General Ledger (GL) codes within the RIGs guidance, as well as the correction of formula issues, improved reporting visibility and removal of obsolete GL codes from the guidance and the MS Excel template.
- **Updates required for the next Price Control Period:** These changes update the templates and the guidance for the new reporting period and ensure consistency between the RIGs, Business Plan Guidance and supporting reporting requirements.

In addition to the changes outlined above, we have decided to make the following additional changes based on consultation feedback:

- **Reallocation of 'Dual Control Organisation (DCO) costs' into the 'SMETS1' Service Family** as DCO relates entirely to the SMETS1 functionality

[1] DCC2 Ltd, a wholly owned subsidiary of Smart Energy Code Company (SECCo) Ltd.

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- **Rename the SMETS2 4G Service Family to 'Enduring Connectivity'**, reflecting that the second Price Control Period may include costs incurred in preparation for technology beyond 4G. This is a labelling change only
- **Update the guidance to reflect broader real price effects**, recognising that DCC's contracts include different approaches to indexation
- **Update the guidance to account for all Regulatory Years in FTE information** to reflect a move to a three-year Price Control Period

Further details on these decisions are set out in chapters 3 and 4.

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1. Introduction

1.1 The Data Communications Company is responsible under the Smart Meter Communication Licence ("Licence") for establishing and operating a secure national communications network for smart metering in Great Britain. Following a competitive licence award process, DCC2 Ltd, a wholly owned subsidiary of SEC Co Ltd, became the Licensee on 14 April 2026.

1.2 In May 2025, Ofgem published its decision to introduce a fully *ex-ante* price control framework, under which DCC's Required Revenue is determined upfront on the basis of a costed Business Plan and accompanying Price Control Information.

1.3 To support the implementation of this framework, Ofgem subsequently published the first version of the RIGs[2] comprising both the reporting templates and associated guidance that DCC must use when submitting Price Control Information.

1.4 We consulted in August 2026 on an updated version of the RIGs under Part B, Condition 23 of the Licence, ahead of the due submission of Price Control Information for the second Price Control Period.

1.5 We received three responses to this consultation. We have considered all responses received, including additional representations provided by DCC and other stakeholders.

1.6 Following this consultation, we have decided to proceed with the changes outlined in the consultation, as well as some additional changes following feedback to the consultation and engagement with DCC.

1.7 The amendments are informed by our assessment of DCC's first *ex-ante* Business Plan submission and are intended to improve transparency, consistency and usability of the RIGs while maintaining the underlying *ex-ante* framework.

Decision-making stages

Stage 1 - Consultation open: 03 August 2026

Stage 2 - Consultation closes; deadline for responses: 31 August 2026

Stage 3 - Responses reviewed: September 2026

Stage 4 - Consultation outcome (decision) published: 26 October 2026

[2] In accordance with Part B of Condition 34B of the Previous Licence.

Questions posed at consultation

Q1. Do you agree with our proposal to introduce separate sheets for the reporting of costs of change in the Main RIGs reporting template? Do you have any views on the design of the new sheets and the associated guidance? Please provide reasons for your response.

Q2. Do you agree with our proposal to introduce a new Annex 1 for reporting of communications hubs financing and volume costs? Do you have any views on the design of the new Annex and the associated guidance? Please provide reasons for your response

Q3. Do you have any comments on our other proposed changes and updates to the RIGs templates and associated guidance?

Q4. Do you have any other comments on the reporting templates and guidance text?

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this decision. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

Please send your feedback to dccregulation@ofgem.gov.uk.

2. Structural changes to the RIGs templates

2.1 Below we set out details on structural changes we have made to the RIGs, alongside our rationale, as well as the consideration of relevant comments received in response to our consultation.

Introduction of new 'change cost' tabs for Smart Energy Service and Enabling Service & Testing Service Family Groups

Relevant RIGs tabs: tab 4f, 5f

Proposal at consultation: Introduce change cost tabs for the 2 service families, as well as the relevant Uncertainty Mechanism tabs, in order for change costs to be decoupled from individual contracts to separate change costs from operational costs. We proposed that change costs should remain assigned to the relevant Service Families with specific ringfencing decisions subject to Ofgem's direction powers under Licence Condition 24, Part B.

Decision: No change in consultation position, include the new change tabs in the final version of the RIGs template.

Overview of responses

2.2 All three respondents broadly supported our proposal.

2.3 The two non-DCC respondents agreed with our proposal to introduce new separate tabs to track both new programme costs and what DCC refers to as 'in-life' change costs, the costs of change within existing contracts. They agreed it increases transparency, both with DCC's ongoing operational costs, but also the costs of new changes that may be made during a business plan period.

2.4 Both proposed that costs of change should be separated out and reported separately for changes driven by either the Secretary of State policy, or by the Authority directions.

2.5 DCC welcomed the proposed changes by Ofgem, citing the existing templates being more difficult to interpret in terms of which costs are associated with existing contracts, and which are related to the introduction of new programmes.

2.6 There were a couple of areas where DCC requested further clarity. The first is how costs DCC define as 'inflight' fit into the updated definitions for new programme costs compared to In-life changes. DCC defines inflight change as changes which have been contracted for, however have not yet started delivering a live service and therefore have not been allocated to a Service Family (SF). Secondly, DCC asked whether it would be required to assign programme costs to the relevant "lead" SF.

Reasons for our decision

2.7 Having considered the information provided to us during the consultation stage, and broad support for the introduction of these change cost tabs, we have decided to continue with our proposed changes and have introduced both change tabs in the RIGs MS Excel template.

2.8 We acknowledge the further proposals made by the non-DCC respondents. However, we do not think further changes are necessary. DCC is already expected to explain within its Business Plan what drives its proposed Required Revenue and alignment to its Mandatory Business;[3] whether as a consequence of new requirements introduced by the Secretary of State or the Authority.

2.9 We also acknowledge DCC's request for further clarity around change costs, particularly for those already contracted for but not yet started ("inflight"). How DCC defines its change costs is a decision for DCC to make. However, if costs have been contracted for, they should be allocated to an existing SF. DCC provided an example of the DSP2 programme, arguing it may not fit as an In-life change or a new programme, as it has been contracted for but not started running. In this example, as the programme is **contracted**, its costs should be reported using tab 5a via the individual DSP2 contracts' set-up costs row.

2.10 In regard to DCC's request for clarity around assigning programme costs to SFs, the introduction of tabs 4f and 5f for change costs does not remove the expectation on DCC to continue to assign costs into the SF DCC expects each programme to sit. Both tabs 4e and 5f include the allocation functions for that purpose.

2.11 Programmes should be fully allocatable to a single SF.

Introduction of a new Annex 1 for reporting of communications hub volume-driven costs

Relevant RIGs template tabs: 4e and Annex 1

Proposal at consultation: Introduce a new Annex 1 to provide information around forecast costs of communications hubs (CH) orders, financing and maintenance charges.

Decision: Introduce Annex 1 as a new template with changes to recognise no further non-4G CHs are being ordered.

[3] Paragraph 5.14, Business Plan Guidance v1

Overview of responses

2.12 We received responses from all 3 respondents in relation to the introduction of a new Annex 1, all of which supported our proposal.

2.13 Both non-DCC respondents were fully supportive of our proposal, with one highlighting concerns around DCC's current historical reporting of CH volumes, acknowledging that this proposal will go far to improve the ability to see this data. They nonetheless shared a concern that splitting information between an Annex and the main reporting RIGs may create a reconciliation risk, and that there should be clear links between the two.

2.14 DCC was supportive of the proposal, highlighting it is a pragmatic and proportionate solution that materially improves the transparency around CH expenditure. DCC stated it is unlikely to be ordering any new Long-Range Radio (LRR)/2G/3G technology-based CH and that rows for their orders can be removed from the Annex.

Reasons for our decision

2.15 Having considered the responses to the consultation, we have decided to introduce Annex 1 to be populated alongside the MS Excel RIGs template.

2.16 We have decided to remove the requirement on DCC to report new order volumes for SMETS 2 – LRR and SMETS 2 – 2G/3G CHs within Annex 1.

2.17 We accept DCC's reasoning that no new orders of LRR/2G/3G CHs are expected to take place. However, we will retain the requirement on DCC to report the number of CHs in service and the associated financing costs. This information is also essential for calculating and assessing the CH Maintenance charges which are expected to continue to be incurred on existing assets.

3. General changes to the RIGs and update for the second Price Control

Fixing a formula for ESNR cost allocated to Service Families

Proposal at consultation: Fix an error causing External Service (non-resource) (ESNR) costs allocated to SFs to be incorrectly accounted for as External Costs.

Decision: Maintain our consultation position and fix the relevant formulae to correctly sum up all ESNR within the Internal Costs term of the Required Revenue formula

Overview of responses

3.1 DCC and one of the other respondents commented on this specific change. Both were supportive of this change, provided the correction does not lead to a double counting of ESNR costs within Service Families.

Reasons for our decision

3.2 We have decided to maintain our position and make this correction within the RIGs MS Excel template. This correction complies with Licence Condition 24, whereby External Costs are defined as costs economically and efficiently incurred in procuring Fundamental Service Capability (FSC), and the cost of any services that are not procured as FSC should be classified as Internal Costs. ESNR costs will continue to be ringfenced within their SFs but will be correctly summed up with other Internal Costs for the purposes of calculating the total Required Revenue.

Updating the definition of ESR and ESNR costs

Proposal at consultation: Update the definition of External Services (resource) (ESR) and ESNR to make a clearer distinction between the two

Decision: Maintain our consultation position

Overview of responses

3.3 DCC was the only respondent who commented on this proposal. DCC welcomed the clearer distinction between the two types of costs; however, DCC disagreed with Ofgem's decision to split the costs across Service Families.

3.4 DCC considered the proposal to continue to allocate ESNR to individual Service Families as disproportionate as costs associated with ESNR represent a small proportion of the Required Revenue.

Reasons for our decision

3.5 We have decided to maintain our consultation position and update the definitions for ESR and ESNR costs, outlined below:

- ESR means "cost of third-party resource services, e.g. legal or consultancy support, utilised to assist the Licensee in the delivery of its core service. This includes resource costs which would have previously been categorised as Internal Services"

- ESNR means "cost of third-party non-resource services (non-Fundamental Relevant Service Capability) commissioned to produce specific, defined deliverables/outputs. This includes non-resource costs which would have previously been categorised as Internal Services"

3.6 Much of the Relevant Service Capability procured as ESNR can be directly linked to the functionality provided through individual Service Families. As such, ESNR are more closely related to other External Service Provider Contracts than to resource-based Internal Costs. We therefore consider it appropriate to continue to require DCC to allocate ESNR costs to Service Families where possible and for ESNR costs to be ringfenced as part of Service Family budgets. This will allow DCC to present, and Ofgem to assess, Service Family costs comprehensively, and ensure transparency and scrutiny over how DCC utilises external services to provide its Mandatory Business.

Removal of obsolete General Ledger codes

Relevant RIGs tabs: tab 4b, 5a, 6a and 6b

Proposal at consultation: Remove Ledger Codes from the template which are obsolete and not expected to be required for future Price Control Periods. The codes no longer used are: (i) External Costs: Incentive Payments, (ii) External Costs: Performance Related Refunds, and (iii) Internal Costs: Transition Costs.

Decision: Maintain our consultation position, removing obsolete Ledger Codes

Overview of responses

3.7 DCC and one other respondent commented on this area. The non-DCC respondent agreed the removal of these codes was reasonable, provided this does not cause any costs to be moved elsewhere, should there be a need for them. DCC was supportive of our proposal.

Reasons for our decision

3.8 We have decided to maintain our consultation position and remove these ledger codes from the MS Excel template. We acknowledge the concern from the respondent and have been assured by DCC that these are obsolete and there will be no costs that would have fit into these categories in future Price Control periods, nor has any historic data been reported using these.

Removal of Transitional Service Agreements

Proposal at consultation: Remove any costs associated with a Transitional Service Agreement (TSA)

Decision: Maintain consultation position, removing any costs associated with a Transitional Service Agreement

Overview of responses

3.9 DCC was the only respondent who commented on this proposal, which it agreed.

Reasons for our decision

3.10 We have decided to maintain our consultation position and remove references to TSAs as no TSAs are expected to be in place in the second Price Control Period as per Licence Condition 5, Part B whereby the Licensee must withdraw from all Transitional Services Agreements within 12 months following the Transfer Date.

Improvement to cost visibility of costs subject to the Automatic Adjustment (AA) Uncertainty Mechanism (UM)

Proposal at consultation: Introduce conditional formatting within tabs 4e and 5e for costs subject to AA UM

Decision: Maintain our consultation position

Overview of responses

3.11 We received comment on this proposal from DCC and one other respondent.

3.12 The non-DCC respondent highlighted that whilst the conditional formatting does help for the visibility of costs subject to AA, the use of conditional formatting in itself does not make the drivers, unit costs and other associated costs with AA more transparent.

3.13 DCC welcomed the proposal to introduce conditional formatting, in order to aid the visibility of these costs, particularly as not all volume driven costs are eligible for AA.

Reasons for our decision

3.14 We have decided to maintain our position to introduce conditional formatting for costs subject to the AA UM to improve visibility

3.15 We acknowledge the concerns from the respondent around the justification of Drivers for costs subject to AA. This change is presentational only; our expectations on DCC to provide justification for its proposed Drivers are set out in the guidance on the reporting within Supplementary Schedules (see our decision

on “New requirement on information to be provided via Supplementary Schedules” below) and the Business Plan Guidance.

Update to the headers and templates for the second Price Control Period

Proposal at consultation: Update the headers and templates to reflect the timeline for the second Price Control Period.

Decision: Maintain our consultation position.

Overview of responses

3.16 DCC was the only respondent who referenced this change in its response. DCC was supportive of this change

Reasons for our decision

3.17 We have decided to maintain our position to update the headers and templates in advance of the second Price Control Period. This is a necessary change to ensure the templates are fit for purpose.

New requirement on information to be provided via Supplementary Schedules

Proposal at consultation: Update the guidance to require DCC to provide: a breakdown of IT services, a split of any In-life (existing contracts) change costs by “Licensee-Led” and “code (SEC/REC) change-led” projects, and information on each cost proposed to be subject to Automatic Adjustments.

Decision: Maintain consultation position, implement the additional requirements for DCC to provide through the Supplementary Schedules

Overview of responses

3.18 DCC was the only respondent who responded to our proposals for additional requirements to be provided through the Supplementary Schedules. DCC accepted the logic for the information to be provided on the breakdown of IT services, as well as the rationale behind the clarity around cost drivers, volume assumptions and unit costs for the Automatic Adjustment mechanism.

3.19 DCC understood the proposal around providing the split between Licensee-led and code led cost of change to the existing contracts (In-life change), however suggested it may not be possible to provide this information for a three-year reporting period, and may make assumptions when calculating the level of change to request.

Reasons for our decision

3.20 Having reviewed DCC's response, and our review of lessons learnt from the first Price Control cycle, we have decided to implement these proposals in full.

3.21 The information which DCC will be required to provide alongside the Business Plan in the Supplementary Schedules is vital to our assessment of its proposed costs. It will reduce the administrative burden through the assessment period, both for DCC and for Ofgem, as the detailed information will be provided upfront.

3.22 We understand DCC's concerns with regard to not having full knowledge of all change requirements for a three-year Price Control Period. We still expect DCC to provide assumptions behind the proposed costs; this may include a combination of known changes and assumptions about the likely scale of change derived from things like a trend analysis, or industry and service provide assessments.

4. Additional changes proposed during the consultation stage

Through the consultation process, DCC proposed further changes to the RIGs template and RIGs guidance. In this section we cover these proposals as well as our decisions on each one.

Renaming the SMETS2 4G Service Family to 'Enduring Connectivity'

Decision: We accept this proposal by DCC to rename SMETS2 4G to 'Enduring Connectivity'

Reasons for our decision

4.1 Through the consultation process, DCC proposed to update the name of the 'SMETS2 4G' SF to 'Enduring Connectivity'. DCC justified this by highlighting that for future Price Control Periods, DCC may explore contracts and network availability beyond the existing 4G technology.

4.2 DCC argued that keeping the name as SMETS2 4G could lead to some ambiguity around cost allocation.

4.3 We acknowledge DCC's proposal and rationale and have decided to rename the SMETS2 4G SF to SMETS2 (Enduring Connectivity). We also note that this is only a labelling change, and do not expect DCC to move costs or contracts from other existing SF. This will ensure historical costs can continue to be tracked, both for consumers' benefit and for our assessment of DCC's costs.

Moving 'DCO' costs to the SMETS1 Service Family

Decision: Move DCO costs from Privacy & Security Service Family to the SMETS1 Service Family

Summary of DCC's proposal

4.4 Through the consultation process, DCC proposed to merge DCO costs with the SMETS1 SF costs, moving them from the Privacy & Security SF.

4.5 DCC justified this proposed change by explaining that DCO costs are more closely aligned with the SMETS1 SF, especially given the increasing focus on transition and planning on closing out the service.

4.6 DCC recognised that Ofgem had suggested that DCO costs should be included in SMETS1 SF in advance of the first Price Control Period, yet DCC argued they aligned with Privacy & Security, in order to retain the broader link to security imperatives. Having reviewed the initial period, DCC argued the move to SMETS1

would more closely reflect DCO's alignment to the SMETS1 functionality, particularly in the context of the SMETS1 retirement timeline.

Reasons for our decision

4.7 We accept DCC's proposal to move DCO costs to the SMETS1 Service Family, as the timelines and transition focus align between the programme and the SMETS1 SF.

4.8 We would note that DCC argued against this allocation in advance of the first Price Control Period. Any structural changes to the reporting templates carry the risk of making costs more difficult to track over time.

4.9 Whilst we did not receive other respondents' feedback on this proposal as it was raised during the consultation phase, the non-DCC respondents did raise views that any changes made to the templates, and particularly the Service Family Structure, must ensure that DCC's customers have visibility over DCC's costs and assurance that DCC is managing its costs responsibly. We are satisfied that DCO costs alignment with other SMETS1 costs will not materially hinder customer engagement or cost management.

4.10 Having reviewed the evidence DCC provided, we have therefore decided to accept DCC's proposal to move DCO costs from the Privacy & Security SF to the SMETS1 SF.

Moving Testing costs to the Service Management Service Family

Decision: Maintain Service Management and testing SFs in their current structure

Summary of DCC's proposal

4.11 DCC proposed to move the costs reported via the Testing SF (tab 5d) to the Service Management SF (tab 5c), citing the small cost base proportionate to other SF.

4.12 DCC raised the point that the majority of the testing costs sit within the service family they relate to. DCC said that the remaining testing costs are more of a customer-service based programme, and therefore should be moved to the Service Management SF.

4.13 DCC was of the view that tracking historic costs would be simple, given the Testing SF only has one FSC contract, which would transfer to the Service Management SF.

Reasons for our decision

4.14 Whilst we acknowledge that the Testing SF accounts for only a small percentage of DCC's overall Required Revenue over the first Price Control Period, we do not

believe the FSC provided in the SF is aligned closely enough to the existing Service Management SF, and we have decided not to accept this proposal, and Testing will remain a separate SF.

4.15 Whilst DCC claims that Testing costs would be easy to track historically, given there is only one FSC contract in the SF, DCC does not publish the costs of individual FSC contracts for commercial sensitivity, only the Service Family totals, and as such any customer would not be able to see the full extent of Testing costs within the Service Management SF, should it be moved. The Testing SF also includes a number of supporting ESNR, not only the cost of one FSC contract.

4.16 We consider that this change would introduce more risk and reduce visibility than provide additional benefits. We are not persuaded by DCC's arguments of how it would substantially improve its reporting capability, the analysis of proposed costs by Ofgem, or the scrutiny of proposed costs by customers.

Create a Data Services Service Family

Decision: We have decided not to accept DCC's proposal to create a new Data Services Service Family.

Summary of DCC's proposal

4.17 DCC proposed introducing a new SF for "Data Services".

4.18 DCC noted that Ofgem's original rejection of this proposal in the first Price Control Period was due to no FSC contract allocatable to this proposed SF at the time. DCC argued that the situation has evolved rapidly and that DCC expects at minimum two contracts within the second Price Control Period.

4.19 DCC argued that Data Service Capabilities are an increasingly important feature of DCC's offer, which is distinct from running the smart meter network infrastructure itself, recommending the services are clearly defined in a new SF.

Reasons for our decision

4.20 Whilst we acknowledge that DCC is expecting to contract two FSCs that it considers could best sit in a new SF, we do not consider a reorganisation of the existing SF structure to be necessary.

4.21 We understand that the new contracts are likely to relate to the change programmes reported via the Service Management SF during the first Price Control Period. They included Guaranteed Standards of Performance (GSOP), Data Best Practice (DBP), Centralised Consumer Consent (CCS) and Smart Energy Data Repository (SMEDR), the latter currently not part of DCC's Authorised Business, but under consideration by the Secretary of State.

4.22 Whilst we accept that these change programmes may lead to new contracts being procured; we do not consider that DCC has provided sufficiently strong rationale

or explanations as to why these are fundamentally different to the services included in the Service Management SF.

4.23 By re-organising the SFs, customers would find it more difficult to track the changes in costs over time and hold DCC to account accordingly. It would also impact our ability to scrutinise and analyse DCC's proposed costs for the second Price Control Period.

Move Switching Internal Costs to Switching SF

Decision: Maintain the existing reporting of Internal Costs

Summary of DCC's proposal

4.24 DCC proposed that Internal Costs associated with the Centralised Registration Service (CRS), also known as 'switching', should be allocated directly into the CRS SF budget. DCC argued that Switching costs are charged to customers under the REC, whereas all other costs are charged under the SEC, and as such should be split accordingly.

Reasons for our decision

4.25 We have decided not to accept this proposal. Although we recognise that Switching costs are charged to REC, as opposed to SEC, parties; this does not have a bearing on DCC's forecasting or Ofgem's determination of the Required Revenue through the Price Control process. DCC is already required to report Internal Costs associated with Switching to tab 4d (CRS SF), albeit for information only. We consider this to be sufficient to monitor DCC's compliance with the REC and for customers to have visibility of the total CRS costs.

Update the guidance to reflect broader real price effects

Decision: Update the Guidance to reflect broader real price effects

Summary of DCC's proposal

4.26 DCC proposed that paragraphs 5.7 and 6.7 in the guidance are updated to reflect broader inflationary measures which are used in DCC's External Service Provider contracts. DCC outlined that limiting the inflation used in DCC's forecasting to the Consumer Price Index including owner occupiers' housing costs (CPIH) was inaccurate for the costs faced by DCC, given wider use of RPI and CPI within contracted costs.

Reasons for our decision

4.27 We have decided to make these amendments to paragraphs 5.7 and 6.7 to reflect the cost pricing within DCC's contracts. We have updated the wording to require DCC to account for real price effects or otherwise use the relevant inflation index which applies to contracted costs (such as CPI, RPI or CPIH).

Update the guidance to account for all Regulatory Years in FTE information

Decision: Update the Guidance to require DCC to provide FTE information for a third regulatory reporting year following the current reporting year

Summary of DCC's proposal

4.28 DCC highlighted an inconsistency within the draft guidance. which required DCC to provide FTE information only for the current reporting Regulatory Year and the subsequent two years, whereas the second Price Control Period consists of three Regulatory Years

Reasons for our decision

4.29 We agree that this was an inconsistency in the draft text and updated the guidance accordingly, ensuring DCC is correctly required to provide FTE information for all three Regulatory Years of the Price Control Period.