



Response to Ofgem; Data Communication Company (DCC) Regulatory Instructions and Guidance

Thank you for the opportunity to comment on the proposed Regulatory Instructions and Guidance to monitor DCC price control.

We are comfortable with the overall approach and believe the proposed methodology and template will enable suitable scrutiny of DCC costs.

Given DCC position in the market it is extremely important that these costs are properly scrutinised. We urge Ofgem to be as transparent and open about this process as it can be, to ensure that customers and all industry stakeholders have a clear understanding of what costs are incurred, when and why etc.

We believe the reporting templates provide a good starting point, but that these should evolve to take account of potential changes to the services DCC provides over time. It might be useful to have a staged approach and review of the templates and supporting processes, to ensure these remain fit for purpose.

The recent Ofgem smarter markets review of consumer protection measures may be an approach that could be adapted. This includes a review of activities throughout the different stages of the smart meter rollout.

The review stages of the reporting templates could be set at significant intervals of the rollout e.g.

- Foundation – current fixed costs review up to DCC live operations
- Start of Mass Roll out – DCC live operations , fixed and variable service costs review
- Post rollout – steady state review of fixed and variable service costs provision

We believe such a process would not be onerous to set up and administer and would provide sensible stages to review DCC operational costs and expenditure ensuring the detail provided remains fit for purpose and value for consumers maintained.