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Dear Tricia,

Re: Ofgem consultation on DCC price control

On behalf of SSE plc, we are pleased to have had the opportunity to respond to the above consultation. We share the concerns raised by Ofgem in the consultation and agree with the approach and findings.

In particular, we support the proposals to move to an ex-ante approach as we believe this will increase visibility and provide certainty over costs. We note that the delivery of smart meter benefits by DNOs have been built into the RIIO-ED1 price control and caution that increasing DCC costs, which are not within DNOs' control, could erode these benefits. As such, SSE feels it is very important that costs are closely monitored to ensure any increases are fully justified as efficient and economically incurred.

Overall, we are very supportive of the proposals in the consultation and look forward to the next steps in this work stream. If there are any questions or comments, please do not hesitate to get in touch.

Yours sincerely,

Patricia Hall
Regulation, Markets