

Tuesday 30th December 2014

Dear Tricia,

Re: DCC Price Control Consultation

I am writing in response to the consultation which reviews the costs DCC reported under its first price control as well as responding to questions in the consultation.

Question 1: What are your views on our approach to assessing DCC's costs? And do you have any suggestions on where we can improve our approach?

Spark view that it is a sensible approach with regards to how the costs of the DCC have been assessed. With regards to where improvements can be made to the approach we do not have any suggestions for this at this time.

Question 2: What are your views on our assessment of DCC's performance against the IMs?

Spark view that the assessment is laid out clearly and shows that the DCC achieved five out of the six IMs.

Question 3: Do you have any observations from the current incentive framework which can inform early thinking on developing an enduring framework?

Spark at this time has no observations regarding the current incentive framework which can inform early thinking on developing an enduring framework.

Question 4: What are your views on our proposal?

Spark agrees with the proposal being put forward, and recognises that there was a degree of uncertainty about future costs at the bidding stage.

Question 5: Do you have any views on how the RIIIO price control approach could be applied to DCC in future?

Spark currently has no views to put forward regarding the RIIIO price control approach and how it could be applied to the DCC in the future.

Question 6: We are looking for ways to benchmark DCC costs. What other sources of data or potential comparators can you recommend for subsets of DCC costs?

Spark currently has no recommendations to put forward for this.

Question 7: What are your views on DCC's approach to the prudent estimate?

Spark currently has no views to put forward on DCC's approach to the prudent estimate.

Question 8: Do you agree that our proposals should take effect from April 2015/16?

Spark agrees that the proposals should take effect from April 2015/16.

Question 9: Do you agree with our assessment against the criteria in the licence?

Spark agrees with the current assessment against the criteria in the licence.

Question 10: What are your views on our longer term strategy of moving towards a more ex ante price control? How might this be achieved?

Spark view that anything that provides the market with a more secure future in terms of costs should help to make the market more secure overall.

Warm regards

Isla Phillips
Compliance and Regulatory Affairs Analyst

