



By email only

Tricia Quinn
Ofgem
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SW1P 9GE

27th April 2015

Dear Tricia,

DCC Regulatory Instructions and Guidance Consultation

RWE npower welcomes the opportunity to respond to the Ofgem consultation on the DCC Regulatory and Guidance (RIGs) and would like to provide the following comments.

We agree with the amendments made to correct manifest errors. We also support the adoption of the minor updates, utilising a flexible approach. We note that the reporting of forecasts has been included and would support this approach.

We would like to suggest that any changes made to the guidance are undertaken in a way that is consistent and allows for an appropriate comparison to be made between interim Price Control submissions.

RWE npower are in support the error change control process being suggested, however we recognise that any changes to historical data should be assessed and authorised by the Authority prior to submission. This will help prevent any changes of this type slowing the Price Control process down or adding unnecessary confusion.

The RIGs states that the reporting of forecasts and the estimates or differences from prudent budgeting should be reported separately. We would like to understand where these would be reported. Will these be covered in quarterly submissions in the first instance?

Noted within the RIGs is the inclusion of price base for historical and forecast data, we feel that this is an appropriate reporting function to be included and agree with Ofgem's question to the DCC in explaining real price effects including any assumptions the DCC make in its forecasts.

We support the introduction of the requirement for the DCC to include details of procurement of Relevant Service Capability in accordance with DCC Licence Condition 16 Part B, as this effectively extends the concept of efficient and economic costs to these types of services where required. The DCC's approach to materiality is an important addition that also needs to be reviewed and compared annually.

Whilst we appreciate the information contained within the worksheets is commercially sensitive, it would be useful to understand if suppliers will at any point have visibility of any sections of the information and what scrutiny Ofgem will be applying for the estimate costs involved.

If you would like to discuss our response, please contact the following:

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Yours sincerely



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