



Robyn Daniell
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Ofgem
9 Millbank
London
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Email to: robyn.daniell@ofgem.gov.uk

21 February 2017

Dear Robyn,

Further Consultation on DCC Baseline Margin Adjustment: Regulatory Year 2015/16

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy welcomes the opportunity to comment on the Further Consultation on DCC Baseline Margin Adjustment: Regulatory Year 2015/16.

We remain committed to the DCC and the benefits that it will bring by providing a common, secure interface between Suppliers and enrolled smart meters. This will ensure that customers can benefit from a seamless smart service from all Suppliers whilst having confidence that the DCC is providing security for their data and their smart meters. However, we must stand on the side of the customer and ensure that the DCC is delivered economically and efficiently to minimise the impact on the customer's bill.

In view that DCC has now provided Ofgem with sufficient additional evidence to justify payment for groups one to three, EDF Energy agrees to the financial amendment from £0.647m to £1.109m.

Whilst we agree to this particular increase, we believe generally that DCC should be held more accountable for justifying future variances from the initial LABP. We continue to see escalating forecast levels of cost, and little explanation for the variances. DCC seem to have provided more justification for this £1.6m increase than for their annual charging statement forecasts in which we have seen continual significant increases each Regulatory Year. The approach to the different types of variances appears not to be balanced.

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Should you wish to discuss any of the issues raised in our response or have any queries, please contact my colleague, Ashley Pocock, on 07875 112854, or myself.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in blue ink that reads "Paul Delamare".

Paul Delamare
Head of Customers Policy and Regulation