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DCC Baseline Margin adjustment RY 2015/16

Dear Robyn,

Thank you for your letter inviting comments on the further consultation on the DCC baseline margin adjustment for the Regulatory Year 2015/16.

Our views on the DCC baseline margin proposals haven't altered since the original consultation on the DCC price control for RY2015/16.

We considered the original proposal of the DCC's baseline margin adjustment of 15% too high and questioned the need for such an adjustment at that point in time. Following on from our previous arguments we maintain the view that the DCC Price Control process is opaque and without further insight into the information it is difficult to validate Ofgem's or DCC's approach, analysis or proposed decisions resulting from the process. We request further clarification around the content and application of these DCC licence conditions.

To conclude, we believe the increase to the baseline margin proposed is still being set too high and we call for greater transparency around the processes used by Ofgem and DCC. I hope our comments are helpful. Please contact me if you need any further explanation or detail. We would be happy to discuss them further with you.

Yours sincerely,

Cissy Edathanal

Regulation

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