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Lewis Edgar
Ofgem
Commonwealth House,
32 Albion Street,
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18 November 2019

Dear Lewis,

Ofgem's review of Typical Domestic Consumption Values (TDCVs)

Thank you for the opportunity to provide comments on Ofgem's review of Typical Domestic Consumption Values (TDCVs) for gas and electricity. Overall, we welcome the proposals and agree with the methodology used to review the values.

We agree with Ofgem's proposals for TDCVs for gas and electricity Profile Classes 1 and 2 (to update electricity TDCVs to reflect continued falls in consumption and keep gas TDCVs unchanged) and can see no issue with implementation of these revised values from 1 April 2020.

We further support Ofgem's proposal to revise the average Economy 7 peak vs off-peak split to 59%:41%, and again can see no issue with the implementation of this revised split by 1 April 2020. In the absence of a defined materiality measure for this split, we support the proposal to make the change to keep the published figure in line with the most recent, best available data to ensure that consumers relying upon this information are well informed.

We accept Ofgem's proposal that the benchmark annual consumption values within the licence condition used for the purposes of the price caps will remain unchanged. We will continue to ensure that our tariffs are compliant with SLC28.A and SLC28.AD of the Supply Licence.

We share Ofgem's concerns around the implications for communicating the amount of a 'typical' bill, and welcome Ofgem's assurances that it will clearly communicate where a change in estimated bill value is due to the change in TDCVs rather than a change in prices.

Should you wish to discuss these points or if you have any questions, please contact me or Gail Devenny (0141 614 1105) or gail.devenny@scottishpower.com.

Yours sincerely,

A handwritten signature in blue ink that reads "Richard Sweet". The signature is written in a cursive, slightly slanted style.

Richard Sweet
Head of Regulatory Policy