



Anna Rossington
Deputy Director, Retail Price Protection
Ofgem

21st February 2020

Dear Anna,

Process for making changes to the Default Tariff Cap licence conditions

Thank you for the opportunity to respond to the statutory consultation.

Three potential changes to the Default Tariff Cap (DTC) are cited: updating the methodology for the non-pass-through Smart Metering Net Cost Change (SMNCC) allowance; introducing a new payment method uplift for prepayment customers; and reassessing wholesale costs in the first cap periods (and any adjustment for those costs).

It is important that these changes are progressed in time for the fifth cap period, subject to full and timely consultation. We are, of course, corresponding separately with you on wholesale costs.

It is disappointing that Ofgem has not consulted sooner on the above issues and does not propose to do so until May. We would encourage Ofgem to bring this forwards in order to reach a decision by 12th June, avoiding the need to modify the DTC licence condition, or the earliest date thereafter. This would maximise the opportunity for suppliers to manage any impact on systems and customer communications.

Yours sincerely,

Paul Finch
Regulatory Advisor
07795 353787

Cc: Chris Harris, Head of Regulation & Compliance

[npower](http://www.npower.com)

Npower Group Ltd
Trigonos
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

T +44(0)1793/87 77 77
F +44(0)1793/89 25 25
I www.npower.com

Registered office:
Npower Group Ltd
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

Registered in England
and Wales no. 8241182