

OFGEM Consultation

Consultation - DCC Price Control: Regulatory Year 2019/20

Response

From: SP Energy Networks
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Question	Description	Response
1	What are your views on our proposal to consider External Costs as economic and efficient?	We agree with OFGEM's views.
2	What are your views on our proposals on DCC's approach to benchmarking of staff remuneration for both contractor and permanent staff?	We agree with OFGEM's proposals.
3	What are your views on our proposals to disallow the cost of DCC's retention scheme?	We agree with OFGEM's proposals. There was limited improvement in the levels of service offered to us by DCC in the 2019/20 regulatory year.
4	What are your views on our proposal to disallow the incurred and forecast costs associated with the product management team?	We agree with OFGEM's proposals. We consider that DCC's focus should have been to focus on core services/activities, where the level of performance has been lower than required/expected.
5	What are your views on our proposal to disallow the forecast variance of the Commercial Operations and Vendor Management teams?	We agree with OFGEM's proposals. We expect full transparency of these costs as justification for spend.
6	What are your views on our proposal to disallow the incurred cost variance associated with Preston Brook?	We agree with OFGEM's proposals. Robust planning of the move would have reduced spend.

7	What are your views on our proposal to disallow all variance in forecast internal costs?	We agree with OFGEM's proposals. We expect full transparency of these costs as justification for spend.
8	What are your views on our proposed position on DCC's operational performance?	We agree with OFGEM's proposals.
9	What are your views regarding DCC's failure to ensure all CSPs met their contractual milestones and its wider performance in the North region?	We agree with OFGEM's proposals.
10	What are your views on our proposed position on DCC's project performance?	We agree with OFGEM's proposals.
11	What are your views on our assessment of DCC's application to adjust its Baseline Margin?	We agree with OFGEM's proposals.
12	What are your views on our assessment of DCC's application to adjust its ECGS?	We agree with OFGEM's proposals.
13	What are your views on our assessment of Delivery Milestone 1?	We agree with OFGEM's proposals. We expect full transparency of these costs as justification for spend.