

**Question 1: What are your views on our proposals for the level of MPL and TPL? and  
Question 2: What are your views on our proposals for the values of x and y?**

In general, the penalty mechanism for the new OPR is both straightforward and fair, tying together with other DCC performance measures in the SEC.

Utilita broadly supports the proposed thresholds chosen for system performance levels and penalty mechanisms. Where DCC customer feedback was sought on the value of Y, we think that “MPL was intended to be the minimum acceptable level of performance”, and therefore are in favour of setting Y at 50%. If Y is set at 50%, the more lenient approach to setting X at double the distance between MPL and TPL represents a reasonable compromise.

We support aligning MPL with MSL and TPL with TSL for the while being. In the future, we would like to see the bar raised (TPL targets should be ambitious, e.g. 99.5%+), as we expect DCC’s operations to run more smoothly when large projects like SMETS1 E&A have been completed.

We strongly disagree with removing all firmware management’s financial weighting from RY21/22. Ofgem’s OPR decision document states that firmware management will be excluded from system performance margins for RY21/22. Although we understand parts of the reasonings for excluding firmware management from system performance margins for RY21/22, where firmware management can be currently measured, these should be included in the new OPR margin. Firmware management is a key part of the DCC’s services and vital for the successful delivery of smart projects, therefore, should not be wholly excluded as we wait on SEC modification implementations (in June 2022).

**Question 3: Do you have any comments on the drafting of the OPR Guidance for the Customer Engagement Incentive?**

Yes, we provisionally agree with the OPR Guidance for the Customer Engagement incentive. More will be known once the trial period has begun in RY20/21. Therefore, we recommend either a workshop or further consultation on the OPR Guidance for the Customer Engagement incentive once the OPR Guidance is tried and tested to see if it is working well or can be further improved.

**Question 4: What are your views on the proposed submission requirements?**

The proposed submission requirements appear reasonable, we want to see their usefulness reviewed when they have been applied during the trial period.

**Question 5: What are your views on the timeline and process for the auditor assessment?**

The timelines and processes are reasonable for examining the most costly and crucial contracts of different service providers.

**Question 6: What are your views on the scope of the assessment?**

While auditing SMETS2 Service Providers (all CSP’s and CGI) and the most costly top tier SMETS1 Service Providers is a practical approach in narrowing down the scope, this could lead to gaps and

poorer services with other contracts. Therefore, this should be open for review where concerns may emerge over the next few years.

**Question 7: What are your views on the draft Terms of Reference?**

We have no comments on the draft Terms of Reference.

**Question 8: What are your views on the proposed 6 month grace period (option 1)?**

This is the preferred approach, please see Q12 for further explanation.

**Question 9: What are your views on the direction required to implement the 6 month grace period (option 1)?**

Please see Q12 for a detailed explanation.

**Question 10: What are your views on the proposed 1 year grace period (option 2)?**

Option 1 is the preferred approach: 6 months should be sufficient time unless there is an explicit and justified reason as to why 1 year is needed. Please see Q12.

**Question 11: What are your views on the direction required to implement the 1 year grace period (option 2)?**

No further comments, see question 10.

**Question 12: Which is your preferred approach to the system performance transition year, option 1 or option 2?**

Option 1 is the preferred approach as it should allow enough time for the new OPR to be robustly critiqued and trialled by the DCC. As highlighted in previous OPR consultations, the current mechanism has not reported on the areas that stakeholders value the most. To rectify this quickly, the new OPR being fully enforced should not take longer than necessary. 6 months should be sufficient time, unless there is an explicit and justified reason as to why 1 year is needed.

Penalty mechanism B should not be adjusted as this will not help to incentivise areas of system performance that are currently seeking improvement in a timely manner. The term “Minimum Performance Level” should indeed be a minimum performance level whereby the DCC should not retain any margin when performing below that level, even during the transition.

**Question 13: What are your views on the customer engagement and contract management trial run?**

We support a trial run in RY20/21 for both customer engagement and contract management.

