

Amy O'Mahoney
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Dear Amy

REVIEW OF TYPICAL DOMESTIC CONSUMPTION VALUES FOR GAS AND ELECTRICITY AND ECONOMY 7 CONSUMPTION SPLIT

Thank you for the opportunity to provide comments on Ofgem's proposal to postpone the update of the Typical Domestic Consumption Values (TDCVs) and Economy 7 consumption split to allow time to fully assess the impact of the Covid-19 pandemic on domestic consumption.

We are supportive of Ofgem's proposal and agree that it would not be appropriate to update the current TDCVs with data which does not include any material portion of the lockdown period, where consumption is likely to have been impacted. We believe that waiting for data covering this period, which Ofgem notes will be available at the end of 2021, is appropriate and that updating TDCVs in line with the normal timetable for updates risks under-estimating typical domestic consumption for this period.

Ofgem's open letter mentions the possible need to use post-lockdown data to assess whether the pandemic was a 'one off' event or if it has structurally changed consumption. Given the ongoing nature of the pandemic, it may be some time before such data is available. Therefore, while we agree that it may be necessary to assess whether there have been structural changes, it would be helpful if Ofgem, when it announces its final decision in June, could indicate how long it intends to wait for such data and, if so, when it proposes to carry out the postponed review of TDCVs.

Should you wish to discuss our response further, please contact me or Emma Howe (ehowe@scottishpower.com).

Yours sincerely,



Richard Sweet
Head of Regulatory Policy