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**Statutory consultation: final proposals for DCC penalty interest rate - Notice on a proposal to modify the standard conditions of the smart meter communication licence**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We welcome the opportunity to comment on the Final Proposals for DCC Penalty Interest Rate Consultation, and are supportive of the approach being taken by Ofgem to ensure that the DCC does not exceed budget.

We remain committed to the DCC and the benefits that it will bring by providing a common, secure interface between Suppliers and enrolled smart meters. This will ensure that customers can benefit from a seamless smart service from all Suppliers, while having confidence that the DCC is providing security for their data and their smart meter.

We also stand on the side of the customer and ensure that the DCC is delivered economically and efficiently to minimise the impact on the customer bill. We believe tight controls must remain in place to ensure DCCs costs are economic and efficient. We remained concerned that DCC costs have continued to escalate.

We are supportive of Ofgem's intention to apply a penalty interest rate from regulatory year 2016/17 if DCC the over-recovers service charges from users.

We have reviewed, and are in agreement with, all the proposed licence modifications in the consultation relating to licence conditions 36.15 & 36.16 (correction factor formula) in addition to 36.17 (determination of how penalty interest rate).

I confirm that this letter can be published on Ofgem's website.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Ashley Pocock on 01342 413838, or myself.

Yours sincerely



**Paul Delamare**  
**Head of Customers Policy and Regulation**