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3<sup>rd</sup> May 2016

Dear Robyn,

**Re: DCC Operational Performance Regime: Principles and Objectives**

The Smart Energy Code (SEC) Panel welcomes the opportunity to respond to Ofgem's Consultation Paper *DCC Operational Performance Regime: Principles and Objectives*.

The Panel's primary interest in the DCC's Operational Performance Regime is in ensuring that the DCC is focussed on delivering its core services. The Panel recognises a need to balance setting the DCC incentives with ensuring that the DCC meets all its SEC requirements. To that end, the Panel supports the Principles that Ofgem have proposed to inform the development of performance incentives.

**Objectives and Metrics**

The Panel supports the direction of the proposed measures and possible metrics presented in the Consultation.

The Panel recognises that the most significant change from the DCC's current economic regulatory framework is the move from an ex post pricing regime, to an ex ante price control regime. The Panel notes Ofgem's rationale for seeking to move towards this type of economic regulation.

As described under the Service User and Service Delivery Measures, it is considered prudent to include metrics that incentivise the swift resolution of incidents raised with the DCC Service Desk, and minimising the number of systemic 'Problems' identified in DCC systems.

The Panel notes the proposed Stakeholder Panel that may be formed to review the suitability of a long term DCC business plan that is developed and welcomes the opportunity to contribute to this.

The Panel notes Ofgem's intention to delay incentivising the Business and Improvement Measure, particularly in order to baseline possible metrics. The Panel supports proposals that report on the effectiveness of the DCC's impact assessments when contributing to the progression of SEC Modification Proposals. The DCC is required to analyse the impacts of Modification Proposals (i.e. complete impact assessments), therefore incentivising improving the quality of these over time will contribute to ensuring an efficient Modification Process.

With regards to the potential inclusion of a metric regarding the provision of Elective Services, the Panel would expect the proposed metric to demonstrate how this would not result in any detrimental impact on core Party-wide services and its compliance with SEC obligations.

We welcome the opportunity to continue to engage with and support Ofgem and the DCC in developing the DCC's Operational Performance Regime.

If you would like to discuss our response, please contact SECAS in the first instance on 020 7090 7755 or [secas@gemserv.com](mailto:secas@gemserv.com).

Yours Sincerely,



Peter Davies,  
SEC Panel Chair