



E.ON response to Ofgem: Consultation on the Implementation of the Operational Performance Regime and direction to populate Schedule 4 of the Smart Meter Communication Licence.

General Comments

Whilst we are generally comfortable with the minded to position outlined in the letter 05 June 2017, we are however, disappointed that the Operation Performance Regime (OPR) will not formally begin until April 2018. We understand the reasons for the postponement are due to the ongoing delays to the Data Communication Company (DCC) releases of functionality to enable live operations to commence. These continuing delays are frustrating and create further uncertainty for us as we try to manage and forecast our smart meter rollout programme.

We are concerned at the lack of detail as to how the proposed smearing of the DCC margin for regulatory years (16/17 and 17/18) across the remaining years of the smart meter rollout (18/19 and 19/20) will in practice be calculated and managed. It will provide confidence to stakeholders if further insight as to how this will be managed can be shared.

We understand the rationale for the requirement for exceptional events to be taken into account when considering the DCC performance against the OPR. However, suggest that where this is invoked by the DCC that supporting evidence and rationale must be provided so that all stakeholders are clear as to the reason why.

Answers to Specific Questions

Question 1: Do you agree that the accompanying draft direction reflects the policy intent for the enduring regime? If not, please explain using evidence.

On balance we would agree that the minded to position reflects the policy intent. We expect the areas of focus to change over time as the services the DCC provides to industry mature and develop past initial service delivery go live, for example the enrolment and adoption of SMETS1 metering systems.

However, we are concerned that there is no explanation as to how the proposals to spread the Data Communications Company (DCC) margin for regulatory years (16/17 and 17/18) across the remaining years of the smart meter rollout (18/19 and 19/20) will in practice be calculated and managed. It will provide confidence to stakeholders if further insight as to how this will be managed can be shared.



Question 2: Do you agree with our minded to position to begin the enduring OPR in April 2018 without an interim regime in this regulatory year? If not, please explain using evidence.

The failure of the DCC to deliver to its published plans leaves little option to accept the minded to position to begin the enduring regime from April 2018.

Question 3: Do you agree that the treatment of exceptional events in DCC's performance reporting needs to remain consistent between the OPR and SEC and Service provider performance measures reported in DCC's Monthly Performance Measures report? If not, please explain using evidence.

We agree with the principle. However, suggest that where this is invoked by the DCC that supporting evidence and rationale must be provided so that all stakeholders are clear as to the reason why.