

Good Evening

Thank you for the opportunity to respond to this consultation. Please find our response below.

Question 1: Do you agree that System Performance should be financially incentivised?

Yes. We agree as system is such a crucial part of delivering Smart Metering benefits to industry and consumers, that it is appropriate for the DCC to be financially incentivised to ensure that it is performing and reliable, and also be accountable should it not perform as expected.

Question 2: What are your views on our proposal for the System Performance Incentive?

We support the proposal for the System Performance Incentive. We were involved in the SEC Operations Group Operational Metrics Review and agree with an outcome based approach that closer reflects DCC Customer Experiences. We also agree that where appropriate the measures should be split between SMETS1 and SMETS2, as well as splitting measure across regions. This will ensure that both meter types and all regions are given appropriate focus by the DCC.

Question 3: Do you agree with the four areas we propose incentivising? Provide explanation.

Yes. We agree with the four measures that have been chosen and also agree that including more areas could result in the DCC potentially not being incentivised appropriately due to the level at risk being reduced. We are also the Proposer for SEC Modification 122 which looks to address the DCC Measures for both reporting to the SEC Operations Group and also that will feed into the OPR.

Question 4: Do you agree that customer engagement should be financially incentivised?

Yes. We agree that customer engagement should be financially incentivised. As a DCC Customer we feel that this is an area that the DCC need to improve on and by including a financial incentive it will drive improved engagement. We would like for the DCC to be more transparent and also ensure that customers are involved in any decision process, at appropriate points throughout the process, so that final decisions can be strongly informed.

Question 5: What are your views on our proposal for the Customer Engagement Incentive?

We are supportive of the of proposal for the Customer Engagement Incentive and the requirement for the SEC Panel to submit an assessment that considers stakeholder views. This will ensure that Ofgem gather a rounded view on Customer Engagement and covers all manner of activities conducted by the DCC.

Question 6: Do you agree that contract management and procurement should be financially incentivised?

We believe that contract management and procurement should be financially incentivised. The external costs compose the largest portion of the DCC's costs and ensuring that these are managed appropriately is vital. By incentivising the management and procurement of these contracts it will help ensure value for money and delivery of real benefits to the DCC's customers.

Question 7: What are your views on our proposal for the Contract Management and Procurement Incentive?

We support having an independent audit, however we need to ensure that true outcomes are measured and not just the processes and associated documentation. This incentive should also be in addition to the annual price control review.

Question 8: Do you agree with our proposed weighting between the three incentives?

We believe that the weighting seems appropriate. A regular review would ensure that the weighting remains appropriate and is delivering the outcomes as expected.

Question 9: Do you agree that the proposed licence modifications achieve the policy intent?

We agree that the proposed licence modifications achieve the policy intent.

Question 10: Do you have any views on the draft direction published alongside this consultation?

No comments.

Kind Regards

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