

## Stakeholder engagement plan - DCC Finance Update for Customers (April 2018)

### 1.1 Purpose

The purpose of this paper is to set out a proposal to revise the format of the DCC Finance Update for Customers.

### 1.2 Background

We operate under the Smart Meter Communication Licence, which sets out what we should deliver, how we should spend and how we should recover the funds necessary to deliver those services. We pass all of the costs through to energy suppliers and networks through DCC Service Charges.

We fix charges for one year at a time, and these are usually refreshed in April each year. In order to allow our customers to adequately plan, we make revenue forecasts for the next three years available to our customers regularly throughout the year in the quarterly indicative charging statement and budget publications<sup>1</sup>. In December of each year the revenue is set and converted to indicative charges which then take effect from the following April. Each year, we also publish a business plan where we review our activities over the previous year and describe our plans for the upcoming four years.

Historically, we have hosted a DCC Finance Update for Customers<sup>2</sup> four times a year, following the quarterly indicative charging statement and budget publications. As part of these updates we provided material to customers in advance of a conference call broadcast coupled with a webex session to view the material and to allow participants to send questions during the update. In addition, at the request of some customers, we have bilateral face to face meetings to go through the material in more detail. At the price control feedback session in November 2017, some customers highlighted that they were keen for us to review the format of the update. In January 2018, we simplified the update by removing the webex facility and asking customers to send any questions to the finance mailbox. This worked well as it simplified the process.

In March 2018, we conducted an industry survey to gather feedback on finance stakeholder engagement. We received 20 responses. The key results were:

- Most respondents found the finance updates useful
- The joint top-rated formats were a) the current format; and b) face to face cross-industry session (30% of respondents each), the next highest was slidepack only via email at 20%
- We had some useful feedback on the content too, this included:

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<sup>1</sup> <https://www.smartdcc.co.uk/charges/indicative-budgets/>

<sup>2</sup> Formerly known as the 'DCC Finance Webinar'

- setting out action plans to achieve budget
- explaining cost control processes
- more transparency in linking cost to changes in scope
- providing more detail on assumptions made in risk weighted forecasts.

### 1.3 Proposal

In light of the feedback we received, we are proposing the following:

- to continue to hold the Finance Update for Customers four times a year
  - to hold a face to face ‘forum’ update, instead of a call, twice a year
  - to continue with the current call-based format twice a year
- to continuously improve the content based on feedback we received
- in order to maintain a useful level of transparency, we would continue to allow SEC Parties only to join the updates.

In addition to the specific proposals above, we will undertake more extensive stakeholder engagement during the year to inform our business planning process.

The proposed timetable for the Finance Update for Customers in the upcoming year is set out in Table 1.

Date	Format/location	Content
Jun 2018	Ibex House, London	Update prior to the July 2018 indicative charging statement and budget publications
Oct 2018	Current call based format	Update following the October 2018 indicative charging statement and budget publications
Jan 2019	Ibex House, London	Update prior to the finalisation of the Charging Statement for RY2019/20
Apr 2019	Current call based format	Update following the April 2019 indicative charging statement and budget publications

**Table 1 – Finance Update for Customers: proposed timetable for upcoming year**

### 1.4 Next steps

We will be publishing the business plan for RY2018/19 to RY2021/22 in May 2018. We will continue to send full joining instructions for each update closer to the event.

If you have any questions in relation to this proposal, please get in touch at [finance@smartdcc.co.uk](mailto:finance@smartdcc.co.uk).