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Ayena Gupta
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cc. SEC Parties

Enc: CS25 v0.2 (draft).pdf

26 March 2024

Dear Ayena,

Notice of Service Charges for Regulatory Year ending 31 March 2025

Notice

In accordance with Condition 19.9 (a) of the Smart Meter Communication Licence (the "Licence") and Section J4.2 of the Smart Energy Code ("SEC"), Smart DCC Ltd ("DCC") hereby gives Notice to the Authority of DCC Service Charges for the Regulatory Year ending 31 March 2025 (RY 2024/25).

In accordance with Condition 19.5 of the Licence, DCC formally requests the Authority's approval of the form of the Charging Statement before 28 March 2024.

We explain the updated Service Charges in the draft Charging Statement version 0.2, which is enclosed with this Notice. In accordance with Condition 19.13 of the Licence, we propose that this draft Charging Statement comes into effect on 1 April 2024.

Since the first draft of the RY24/25 Charging Statement was published (in December 2023), Ofgem has directed¹ changes to reflect its final Price Control decision for RY2022/23, in which it determined, compared to its consultation position:

¹ Ofgem, Notice of Price Control Decisions, Determinations and Directions Regulatory Year 2022/23: [DCC Price Control Decision Regulatory Year 2022/23 | Ofgem](#)

- a decrease in the disallowed costs of £2.4m.

The resultant total cost estimate for RY2024/25 is £616.7m.

A high-level summary of the changes to the form of the Charging Statement are set out in Table 1 in [Appendix A](#).

Next steps

This draft Charging Statement will take effect from 1 April.

A copy of the enclosed draft Charging Statement will be shared with those with whom DCC has entered into an Agreement for Services, pursuant to Licence Condition 19.9(b). Currently, this means all SEC Parties.

We look forward to receiving your approval of the form of this Charging Statement.

If you have any questions in relation to this letter or its enclosure, please contact me at scott.sullivan@smartdcc.co.uk. The draft Charging Statement will also be made available on the DCC website (www.smartdcc.co.uk).

Yours sincerely,

Scott Sullivan

Head of Financial Reporting and Control, DCC

Appendix A: Summary of Charging Statement changes

Table 1 below sets out a summary of the changes to the Charging Statement.

Place in document	Change
Table 1 – Monthly Fixed Charges by Charging Group for RY2024/25 (excluding VAT)	Charges updated to reflect Ofgem’s Price Control decision for RY22/23
Table 7 – Estimated Allowed Revenue for RY2024/25 (excluding VAT)	Updated to reflect Ofgem’s Price Control decision for RY22/23
Table 8 – Estimated Fixed Revenue for RY2024/25 (excluding VAT)	Updated to reflect Ofgem’s Price Control decision for RY22/23
Table 9 – Estimated Fixed Revenue by category for RY2024/25 (excluding VAT)	Updated to reflect Ofgem’s Price Control decision for RY22/23
Appendix D – Worked examples	Revised worked examples to reflect changes to charges (see above)

Table 1 – Summary of Charging Statement amendments (Mar 2024)