

## Attachment 6

### Introduction

DCP 395 has no impact on four DNO licence areas which report no Pass-through Smart Meter Communication Licence Costs in 2023/24 CDCM models. The Working Group requested feedback from the effected DNOs and received the following response from one:

### Response

The License fee values in the CDCM represent the difference between the allowance for this cost and the actual paid. For ED1 the allowance was way to small so we had some large positive adjustments, these values were lagged by two years. The ED1 License also said that in the last two years of ED1 there would be no allowance and no true up, although there may possibly be some post ED1 compensation for this cost but at the moment we have seen nothing. This is why for 2023/24 and 2024/25 we are showing no lagged adjustment for 2021/22 and 2022/23, there is no adjustment in our license. In ED2 we have a realistic allowance for the fees and this is built into our base revenue that was used in our December Business plan and in to the tariff setting allowed revenue but it's just not separately visible.