## Hector the Regulator — Let them eat cake

dcmf.co.uk/hector

This DNO needs to reinforce its network to supply a new factory. This is self-financing at current tariffs: payments to the DNO would give a good return on investment. OK to increase allowed revenue?



No. The DNO must look for smarter ways to incentivise customer

behaviour that defers reinforcement.

The factory could locate elsewhere, or work at night.

Some people have moved into town. They want bread, but the baker would need to employ a kneading assistant to make more bread. He has spare capacity for cake.

