



DCUSA Request for Information

DCP 096 Treatment of Transmission Exit
Charges in CDCM Price Control

1. PURPOSE

- 1.1 The Distribution Connection and Use of System Agreement (DCUSA) is a multi-party contract between electricity Distributors, electricity Suppliers and large Generators. Parties to the DCUSA can raise Change Proposals (CPs) to amend the Agreement with the consent of other Parties and (where applicable) the Authority.
- 1.2 A DCUSA panel Working Group has been established to assess the impact of Change Proposal DCP096 entitled the Treatment of Transmission Exit Charges in the CDCM Price Control Disaggregation Model. The CDCM Price Control Disaggregation model is commonly referred to as the "Method M" model and shall be referred to as such hereafter in this document.
- 1.3 To enable the Working Group assess the impacts of DCP096 the Working Group requires DCUSA Distributor Parties that have a Distribution Service Area (hereafter referred to as "DNOs") to make modifications to the October 2011 version of their Method M model(s) and provide output data to the Working Group.
- 1.4 This purpose of this document is to:
 - 1.4.1 Request the required data from DNOs.
 - 1.4.2 Define the format in which the required data is to be returned to the Working Group secretariat.
 - 1.4.3 Provide a specification for the changes that can be made to the Method M model to assess the impact of DCP096.
 - 1.4.4 Give DNOs the opportunity to provide alternative ways of changing their Method M model(s) to satisfy the Intent of DCP096.
- 1.5 DNOs are invited to provide their responses using the forms attached as Appendix A to dcusa@electralink.co.uk by 5th August 2011.

2. INTENT OF DCP096

- 2.1 The Intent of DCP096 is to change the Price Control Disaggregation Model such is that transmission exit charges should not play a part in determining the weighted average percentages used to allocate opex to different voltage tiers.

3. IMPACT ANALYSIS OF DCP096

- 3.1 The enable the Working Group complete their impact assessment of DCP096 the Working Group requires information from each of the DNOs.
- 3.2 Section 3.7 provides the detail on how the Method M model can be modified to assess the impact of DCP096. This is the method that was employed by the Change Proposer. DNOs are requested to complete their analysis based upon the specification in 3.7.
- 3.3 The output data from the amended Method M model is to be populated in the table 1037 in Appendix A. It is not anticipated that DCP096 will result in changes to CDCM tariffs all the way tariffs, however this assumption requires confirmation by DNOs. Any changes in all the way tariffs arising from DCP096 identified are to be populated in the table 3701 in Appendix A. Tables 1037 and 3701 are templates based on those tables used in the CDCM spreadsheet.
- 3.4 Where DNOs believe the Intent of DCP096 can be achieved by different changes to the model than those specified in section 3.7 they are invited to identify such changes and populate a second copy of the tables in Appendix A where the changes would result in different outputs from the model(s).
- 3.5 A track changed copy of the WPD Wales Method M model has been modified as per the specification in 3.7 to assist DNOs when amending their models. To view the track change history, select "Track Changes" followed by "Highlight Changes" from the Excel tools menu. Adjacent to the "When" tick box change the dropdown list from "Since I last Saved" to "all". This model has been chosen at random from those DNO models that are published wholly in the public domain.
- 3.6 The DCUSA Secretariat will anonymise the data returned from DNOs prior to its analysis by the Working Group.
- 3.7 The Working Group requests that each of the DNOs complete the following steps:
- 3.7.1 Make a copy of the October 2011 version of their Method M model(s) and make changes to the copy(s) as per the following steps.
- 3.7.2 Change the "Transmission Exit Charges" to "Do not allocate". This will be achieved by changing cell L36 in the "Calc- WPD Opex Allocation" worksheet from its current value of "EHV only" to "Do no allocate".

- 3.7.3 Now deduct the 'Transmission Exit Charges' cost from the Total revenue to share. To achieve this:
- 3.7..3.1 Change the "WPD – Final Allocation" worksheet cell S66 from its current value of "" to "=-'Calc - WPD Opex Allocation'!I36", and
- 3.7..3.2 Change the "WPD – Final Allocation" worksheet cell S67 from its current value of "=S61+S63+S64+S65" to "=S61+S63+S64+S65+S66"

4. NEXT STEPS

- 4.1 Following the receipt of the requested information the responses will be considered by the Working Group when completing the impact assessment of DCP096 in preparation for a consultation with the relevant Parties in the middle of August 2011. The Working Group will also prepare a change report to be presented to the DCUSA panel. The Change Proposal will then be issued to for voting and following the vote will be issued to Ofgem for final determination.
- 4.2 If you have any questions about this paper or the DCUSA Change Process please contact the DCUSA Help Desk by email to DCUSA@electralink.co.uk or telephone 020 7432 3011.

5. APPENDICES

- Appendix A –Impact Analysis tables (DCP096 Table 1037 & DCP096 3701)
- Appendix B – Example track changed model (DCP096 changes to WPD Wales METHOD M)