DCP 227 Draft Legal Text

Removing the inconsistency in the application of Peaking Probabilities in the CDCM

Amend paragraph 3 of Schedule 16 as follows:

In order to comply with this methodology statement when setting distribution Use of System Charges the DNO Party will populate and publish:

(a)   the CDCM model version ~~103~~ [insert version] as issued by the Panel on ~~1 April 2015~~[insert issue date][1]; and

(b)   the CDCM "Price Control Disaggregation" model version 2.0 as issued by the Panel on 1 April 2014.

Amend paragraphs 67-72A of Schedule 16 as follows:

Allocation of costs on the basis of contribution to system simultaneous maximum load

67.   All £/kW/year unit costs and revenue are used in the calculation of yardstick charges for each tariff.

68.   For demand tariffs and portfolio tariffs related to demand users with a single unit rate or several unit rates and non-half hourly unmetered supplies tariffs ~~(with the exception of the non-half hourly unmetered supplies tariffs)~~, the contributions of each network level to the unit rate are calculated as follows:

[p/kWh from network model assets] = 100*[network level £/kW/year]*[user loss factor]/[network level loss factor]*[~~coincidence factor]/[load factor~~pseudo load coefficient]*(1 − [contribution proportion])/[days in charging year]/24

[p/kWh from operations] = 100*[transmission exit or other expenditure £/kW/year]*[user loss factor]/[network level loss factor]*[pseudo load coefficient~~coincidence factor]/[load factor~~]/[days in charging year]/24

69.   These calculations are repeated for each network level.

70.   In th~~ise~~ paragraph 68 equation:

(a)   ~~,~~ the user loss factor is the loss adjustment factor to transmission for the network level at which the user is supplied;

(b)   ~~, and~~ the network level loss factor is the loss adjustment factor to transmission for the network level for which costs are being attributed; and

(c)   the pseudo load coefficient is calculated as follows:

i)   calculate the ratio of coincidence factor to load factor that would apply if units were uniformly spread within each time band, based on the estimated proportion of units recorded in each relevant time pattern regime that fall

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[1] To be added on implementation.

within each distribution time band and the assumption that the time of system simultaneous maximum load is certain to be in the red or black (as appropriate) distribution time band;

ii) calculate a correction factor for each user type as the ratio of the coincidence factor to load factor, divided by the result of the calculation above;

iii) for each network level and each unit rate, derive the ratio of coincidence factor (to network asset peak) to load factor that would apply given peaking probabilities at that network level if units were uniformly spread within each time band, multiplied by the correction factor; and

iv) the result of (iii) above is the pseudo load coefficient for the network level and unit rate, save that the coefficients calculated for the non-half hourly and half hourly unmetered supplies are then aggregated to produce one value per network level.

71. For generation users and portfolio tariffs for generation users, no contribution to the unit rate is calculated in respect of the network level corresponding to circuits at the Entry Point, and a negative contribution to the unit rate (i.e. a credit) comes from each network level above the Entry Point. That contribution is calculated as follows:

[p/kWh from network model assets] = −100*[network level £/kW/year]*[user loss factor]/[network level loss factor]*(1 − [contribution proportion])/[days in year]/24

[p/kWh from operations] = −100*[transmission exit or other expenditure £/kW/year]*[user loss factor]/[network level loss factor]/[days in year]/24

72. ~~For tariffs with several unit rates and non-half hourly unmetered supplies tariffs, the same principle is used but the ratio of the coincidence factor to the load factor is replaced with a coefficient calculated by the following procedure:~~

~~a) Calculate the ratio of coincidence factor to load factor that would apply if units were uniformly spread within each time band, based on the estimated proportion of units recorded in each relevant time pattern regime that fall within each distribution time band and the assumption that the time of system simultaneous maximum load is certain to be in the red or black (as appropriate) distribution time band.~~

~~b) Calculate a correction factor for each user type as the ratio of the coincidence factor to load factor, divided by the result of the calculation above.~~

~~c) For each network level and each unit rate, replace the ratio of the coincidence factor to the load factor in the above formula with the ratio of coincidence factor (to network level asset peak) to load factor that would be apply given peaking probabilities at that network level if units were uniformly spread within each time band, multiplied by the correction factor.~~

~~d) The coefficient calculated for the non-half hourly and half hourly unmetered supplies tariffs will be determined by aggregating these tariffs to produce one value~~Not used.

72A. An additional set of correction factors is applied to the LV Network Domestic and LV Network Non-Domestic Non-CT tariffs and the non-half-hourly-settled tariffs for

profile classes 1 to 4, so as to ensure that the average charges produced by the LV Network Domestic tariff are equivalent to a volume-weighted average of the non-half-hourly-settled tariffs for profile classes 1 and 2, and the average charges produced by the LV Network Non-Domestic Non-CT tariff are equivalent to a volume-weighted average of the non-half-hourly-settled tariffs for profile classes 3 and 4.

Amend paragraph 1 of Schedule 20 as follows:

1. INTRODUCTION

1.1   The "Annual Review Pack" or "ARP" is a document to be completed by each DNO Party giving indicative (when first published in accordance with Clause 35B) and final (when updated in accordance with Clause 35B) Use of System Charges to apply pursuant to the Charging Methodology set out in Schedule 16 (the "CDCM"). The pack shall contain detail of historical and forecast CDCM inputs, and a forecast of use of system tariffs for the next 5 years, in accordance with Paragraph 2. The template to be used for the pack shall be ARP model version [insert version]102 as issued by the Panel on [insert issue date]²01 April 2015.

Wragge Lawrence Graham & Co LLP
11 August 2015

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² Use the same details as for footnote 1.