

DCP 230 Collated Consultation Responses

Company	Confidential/Anonymous	1. Do you have any comments on the proposed legal text?	
Electricity North West	Non-confidential	No	
Northern Powergrid	Non-confidential	We feel this proposed legal text is an improvement on the previous draft as it no longer allows room for interpretation and clearly defines the formula DNOs should use.	
RWE npower	Non-confidential	<p>The description of CC should be included only once, either in an appendix or just in Schedule 16, Part 57, table 3. The later schedules could then simply refer to this description. For example:</p> <p>Schedule 17, Paragraph 2.16:</p> <p>i = discount rate, which is set to equal the latest pre-tax real weighted average cost of capital (CC below) for each DNO calculated as described in Appendix xxx/ as described in Schedule 16, Part 57, table 3.</p>	The Working Group agreed to have the DCUSA legal advisors check the proposed drafting for consistency which will address this response.
Southern Electric Power	Non-confidential	For consistency, it would be useful if the formula terms within the legal text exactly match those used in the Licence (where applicable) i.e. Cost of Debt should be 'Cost of Corporate Debt'.	The Working Group agreed to send this suggested amendment to the legal advisors for inclusion in the text.

Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc			
SP Distribu tion / SP Manweb	Non- confident ial	No comments on the proposed legal text.	
UK Power Network s	Non- confident ial	No we are comfortable with the changes to the legal text, which we believe addresses the issues previously raised. The revised legal text is now far more informative for the reader, which should help parties understanding of this area of the methodology.	
Western Power Distribu tion	Non- confident ial	No.	
Compa ny	Confide ntial/ Anonym ous	2. Do you have any comments on the EDCM impact analysis completed by the Working Group? Please provide supporting comments on this, and the results of the impact analysis.	

Electricity North West	Non-confidential	No	
Northern Powergrid	Non-confidential	We are comfortable with the EDCM impact as demonstrated by the impact analysis and have no further comments.	
RWE npower	Non-confidential	<p>I struggled to assess the impacts of the change. The impact spreadsheet simply showed the changes to the various elements of the tariffs by "ID". There are many different "ID"s for each DNO, and some rates are increasing while others are decreasing. The example of WPD showed a modest reduction (from 5.6% to 4.5%) for WPD. This led to modest changes in the Midlands tariffs but some large % swings in the other 2 areas.</p> <p>What would be useful is a summary. What is the total impact in £ when applying the new tariffs to all customers of that DNO, split by "ID"? (Based on last years data).</p>	<p>The Working Group agreed to request this information from DNOs, 2015/16 revenue, and then again on the new basis; this information will be included within the Change Report.</p> <p>The Working Group felt that presenting this information by customer could breach confidentiality issues, whereas doing it by License area will not.</p>
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We have no comment on the SEPD & SHEPD EDCM impact analysis.	

SP Distribu tion / SP Manweb	Non- confident ial	No comments on the EDCM impact analysis completed by the Working Group.	
UK Power Network s	Non- confident ial	We are comfortable with the changes seen to charges which are consistently applied across all EDCM customers.	
Western Power Distribu tion	Non- confident ial	No.	

Compa ny	Confide ntial/ Anonym ous	3. Are there any alternative solutions or unintended consequences that should be considered by the Working Group?	
Electrici ty North West	Non- confident ial	None that we are aware of	
Norther n Powergr id	Non- confident ial	No.	
RWE npower	Non- confident ial		
Souther	Non-	We are not aware of any.	

n Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc	confident ial		
SP Distribu tion / SP Manweb	Non- confident ial	None.	
UK Power Network s	Non- confident ial	We continue to have concerns over the interaction this part of DCUSA would have with the 'Annual Iteration Process' as defined in the Distribution Licence. The impact of DCP178 requiring the notification of Final DUoS charges with fifteen months' notice, would require DNOs to estimate for the cost of corporate debt (CDE) for the upcoming charging year as it would follow the 'Annual Iteration process' which is communicated no later than the 30 November prior to the next charging year. DNOs would already be setting final charges at that point for the following charging year. A solution to this would be if the requirement to use the data derived from the Licence through the 'Annual Iteration Process' was lagged by twelve months.	The Working Group noted this issue, but felt that it was out of scope of DCP 230. It was agreed to highlight this to the Ofgem observer on the Working Group for further consideration.
Western Power	Non- confident	No.	

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