

DCP 227 Proposed Legal Drafting

Proposed legal text: Amend 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 (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:

$$[p/\text{kWh from network model assets}] = 100 * [\text{network level } \text{£/kW/year}] * [\text{user loss factor}] / [\text{network level loss factor}] * [\text{pseudo load coefficient}] [\text{coincidence factor}] / [\text{load factor}] * (1 - [\text{contribution proportion}]) / [\text{days in charging year}] / 24$$
$$[p/\text{kWh from operations}] = 100 * [\text{transmission exit or other expenditure } \text{£/kW/year}] * [\text{user loss factor}] / [\text{network level loss factor}] * [\text{pseudo load coefficient}] [\text{coincidence factor}] / [\text{load factor}] / [\text{days in charging year}] / 24$$

69. These calculations are repeated for each network level.

69A. In this equation the pseudo load coefficient is 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, derive 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.

70. In this equation, the user loss factor is the loss adjustment factor to transmission for the network level at which the user is supplied, and the network level loss factor is the

loss adjustment factor to transmission for the network level for which costs are being attributed.

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:

$$[p/\text{kWh from network model assets}] = -100 * [\text{network level } \text{£/kW/year}] * [\text{user loss factor}] / [\text{network level loss factor}] * (1 - [\text{contribution proportion}]) / [\text{days in year}] / 24$$

$$[p/\text{kWh from operations}] = -100 * [\text{transmission exit or other expenditure } \text{£/kW/year}] * [\text{user loss factor}] / [\text{network level loss factor}] / [\text{days in year}] / 24$$

~~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.~~