

DCP 343 COLLATED CONSULTATION RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	Q1: Do you understand the intent of DCP 343?	Working Group Comments
BU-UK	Non-confidential	Yes, we understand the intent of DCP 343; to remove the need for a calculation agent for calculating the 'LV mains split'.	
Electricity North West	Non-confidential	Yes.	
ESP Electricity Ltd	Non-confidential	Yes, the intent is to allow DNO Parties to calculate the HV/LV Mains Split using LV connection counts already received by the DNO as part of the Settlements process. This removes the requirement for a Nominated Calculation Agent (NCA) to provide the calculation thereby reducing the administration costs of the DCUSA which are borne by all Parties.	
Leep Utilities	Non-confidential	Yes, we understand the intent of the change proposal	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Yes.	

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SP Distribution / SP Manweb	Non-confidential	Yes we understand the intent of DCP 343	
UK Power Networks	Non-confidential	Yes	
WPD	Non-confidential	Yes	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q2: Are you supportive of the principles of DCP 343?	Working Group Comments
BU-UK	Non-confidential	Yes, we are supportive of the principles for DCP 343.	
Electricity North West	Non-confidential	Yes.	
ESP Electricity Ltd	Non-confidential	Yes.	
Leep Utilities	Non-confidential	<p>While we acknowledge that the use of an external NCA may be inefficient and costly, we are not wholly supportive of the proposed change.</p> <p>It is assumed that the LV split calculation is something that the DNO was always capable of completing. Therefore, consideration ought to be given to why the NCA was inserted into the process in the first place, i.e. was it because they were independent of the DCUSA</p>	

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		<p>parties or was it too complex/time consuming for the DNO to complete the calculations in a timely manner?</p> <p>We note that in the summary of the change proposal it states:</p> <p><i>'The calculation uses commercially sensitive input data from each DNO and LDNO. The NCA is used to ensure that such data remains confidential.'</i></p> <p>What therefore has changed? Why is the NCA no longer required?</p> <p>If the calculation is carried out by the DNO, will the results be the same as if carried out by the NCA?</p> <p>Therefore, what assurances/guarantees do LDNO's have that they will not be disadvantaged through the loss of independent adjudication? Theoretically, the DNO could move costs away from the LV network to the HV network without scrutiny, resulting in a loss of revenue for the LDNO.</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Yes.	

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SP Distribution / SP Manweb	Non-confidential	Yes we are supportive of the principles of DCP 343	
UK Power Networks	Non-confidential	Yes	
WPD	Non-confidential	No, WPD do not support the intent of this change proposal. The current method allows DNOs and LDNOs to submit their data to the NCA for a small cost. The DNOs having to calculate the splits themselves will negate the proposed cost saving.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q3: Do Parties agree that the D0314 flow relating to the most recent March 31st is the most appropriate source customer data for the LV Split calculation? Please provide your rationale.	Working Group Comments
BU-UK	Non-confidential	Yes, we agree the D0314 flow relating to the most recent March 31 st is the most appropriate source customer data for the LV split calculation.	
Electricity North West	Non-confidential	<p>The current data sources are as follows:</p> <ol style="list-style-type: none"> 1. Length of LV mains (on the DNO's network) connecting licensed embedded networks. 2. Number of end users on LV-connected embedded networks. 3. Length of LV mains (on the DNO's network) connecting LV end users. 4. Number of LV end users on DNO's network. 	

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		It would seem appropriate for the DNOs to receive data with regard to item 2. from the D0314 which will provide the total number of end users on LV-connected embedded networks.	
ESP Electricity Ltd	Non-confidential	The calculation requires an input of the number of LV-connected end users on the DNO's network. This figure is submitted to the Authority as part of the Regulatory Reporting Pack (RRP). The embedded connection count should also be taken from the same date i.e. March 31 st of the most recent year.	
Leep Utilities	Non-confidential	We acknowledge that the D0314 flow is an appropriate source of customer data. However, our concerns regarding fairness and transparency remain.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Yes.	
SP Distribution / SP Manweb	Non-confidential	Yes, this ensures all relevant LV Mains Split inputs: <ul style="list-style-type: none"> Are taken from the same time period reducing possible distortion. Represents the most recent time period available.	

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UK Power Networks	Non-confidential	We support the view that the D0314 flow is an appropriate source of data for NHH metered MPAN counts and as the 31 st March is an established cut-off date used in many other regulatory returns, it seems reasonable to use it. The working group will also need to confirm the same date is used for the data source for LV HH metered MPAN counts.	
WPD	Non-confidential	Yes, if this CP is approved.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q4: Do you agree that LDNOs should have the option to request the customer count used by a DNO for their portfolio? Please provide any comments.	Working Group Comments
BU-UK	Non-confidential	<p>We agree that LDNOs should have the option to have visibility of the customer count used by a DNO for their portfolio.</p> <p>However, we feel this count should not have to be 'requested' by an LDNO and should be provided automatically.</p> <p>We appreciate that a LDNO will receive its customer counts only (not counts from each LDNO) so cannot know if total count is accurate, however it is important that the tool to check individual LDNO counts is available.</p> <p>With a requirement for DNOs to report numbers used, LDNOs maintain visibility and can raise any discrepancy</p>	

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		if required (we acknowledgment any discrepancy would be a breach of the DCUSA and dealt with accordingly).	
Electricity North West	Non-confidential	We do not understand what value this would add to the LDNOs processes, as the data would not be sufficient to check the calculations made and LDNOs will already be aware of the number of customers connected to the LDNO's LV connected Network.	
ESP Electricity Ltd	Non-confidential	Yes, for transparency purposes and to provide a level of assurance as part of the initial implementation, we believe LDNOs should have the ability to request the MPAN count used by the DNOs as part of their calculation.	
Leep Utilities	Non-confidential	Yes, in order to ensure transparency, the DNO should provide this information on request.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Yes. We agree with the Working Group that, of the options presented in paragraph 4.7 of the consultation document, the option for LDNOs to request customer counts is the most appropriate. But we would be unconcerned if either of the other options were taken forward – even if DNOs are required to report to all LDNOs on the customer counts used, the processes will be less administratively burdensome than the status quo and the cost associated with the Nominated Calculation Agent will be avoided, so the objective of the change will still be achieved.	
SP Distribution / SP Manweb	Non-confidential	Yes, if an IDNO feels like they would benefit from having access to the values calculated for their portfolio, then they should be able to request it.	

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UK Power Networks	Non-confidential	We agree that in order to maintain trust of the numbers used, DNOs need to be transparent with the MPAN counts used for Customer Numbers in the calculations	
WPD	Non-confidential	WPD do not support the intent of this proposal. The current process allows LDNOs to submit their data themselves and so does not require this additional process and complication. What would happen if the LDNO wishes to challenge the data in December just as prices are being issued?	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q5: Do you agree with the proposed solution for this CP? Please provide your rationale.	Working Group Comments
BU-UK	Non-confidential	Yes, we agree with the proposed solution.	
Electricity North West	Non-confidential	The solution seems reasonable and would be enabling the process of calculating the 'LV mains split' to be brought 'in-house' which will improve efficiency and indeed reduce costs.	
ESP Electricity Ltd	Non-confidential	Yes, by allowing the DNO to calculate the LV Mains Split based on existing data, it removes the requirement for the Nominated Calculation Agent to process and charge DCUSA Ltd for that element of the calculation.	
Leep Utilities	Non-confidential	Please see our response to question 2	
Northern Powergrid on behalf of	Non-confidential	Yes.	

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Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc			
SP Distribution / SP Manweb	Non-confidential	Yes, it improves efficiency, and is cost effective.	
UK Power Networks	Non-confidential	Yes. The proposed solution of using the D0314 flows to produce the LV NHH MPAN counts and the calculation being done 'in-house' gives greater control of the process. The working group will also need to consider a unified approach to collecting the LV HH MPAN counts as the D0314 flow does not contain these	
WPD	Non-confidential	No, a problem does not exist and so therefore does not require a solution.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q6: Do you believe the Working Group should consider a different solution? Please provide your rationale.	Working Group Comments
BU-UK	Non-confidential	No.	
Electricity North West	Non-confidential	We do not believe a different solution needs to be considered by the Working Group.	

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ESP Electricity Ltd	Non-confidential	No, we believe the solution is clear and simple to implement. No major system changes should be required to implement the solution.	
Leep Utilities	Non-confidential	<p>We do not necessarily advocate a different solution but would make the following points:</p> <p>When the use of the NCA was advocated, what was the reason for doing so? What, (if anything), would be lost as a result of its removal?</p> <p>What reassurances would be given if the DNO was to complete the LV split calculations that its work would be open to scrutiny to ensure fairness and transparency?</p>	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No.	
SP Distribution / SP Manweb	Non-confidential	No, this is an efficient and effective solution.	
UK Power Networks	Non-confidential	We are not aware of any other solutions. Any new solutions should be considered based on their own merit, however the proposed solution is the best option currently	

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WPD	Non-confidential	No, there is no problem with the current method for the calculation of the LV split.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q7: Do you have any comments on the proposed legal text for DCP 343? Please provide your rationale.	Working Group Comments
BU-UK	Non-confidential	We are happy with the proposed legal text, although as we request the customer counts should be automatically provided to LDNOs, recognise this may require an addition to the proposed legal text (Clause 42.13) in order to facilitate this request.	
Electricity North West	Non-confidential	<p>As we do not believe there is any value in the DNO Party providing data to the LDNO, the following wording under Paragraph 34 of Schedule 29 would not be required:</p> <p>"On request, the DNO Party must provide to each LDNO Party:</p> <ul style="list-style-type: none"> the number of customers used for that LDNO in the calculation of the number of end users on LV-connected embedded networks for the purpose of clause 33 (b); and the combined total number of LDNO customers used for all LDNOs in the calculation of the number of end users on LV-connected embedded networks for the purpose of clause 33 (b)." 	

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ESP Electricity Ltd	Non-confidential	No comments, we believe the legal text supports the intention.	
Leep Utilities	Non-confidential	We have no comment on the proposed legal text in so far as it reflects the content of the change proposal.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No.	
SP Distribution / SP Manweb	Non-confidential	No comments on the proposed legal text for DCP 343	
UK Power Networks	Non-confidential	It will be beneficial to include the equation / formula for the calculation in paragraph 33 to avoid any misinterpretation and to remain consistent with the rest of the Schedule	
WPD	Non-confidential	No	
Working Group Conclusions:			

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Company	Confidential/ Anonymous	Q8: Which of the DCUSA Charging Objectives does this CP better facilitate? Please provide supporting comments.	Working Group Comments
BU-UK	Non-confidential	We agree with the Proposer that the proposed solution will better facilitate DCUSA Charging Objective six by improving efficiency and reducing the costs incurred for both DNOs and LDNOs by allowing the DNOs to carry out the calculation of 'LV mains split'.	
Electricity North West	Non-confidential	We believe that this change will better facilitate Charging Objective 6 promoting efficiency in the implementation and administration of the Charging Methodologies.	
ESP Electricity Ltd	Non-confidential	ESPE agree with the working group in that Charging Objective 6 is better facilitated. Reducing the NCA costs incurred improves the efficiency of the Charging Methodologies.	
Leep Utilities	Non-confidential	Charging Objective 6 (promoting efficiency): The change proposal states that the use of the NCA is inefficient. It therefore follows that its removal promotes efficiency.	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	As proposer of this change, our view remains unchanged from that presented in the change proposal form, being that this change will have no impact on Charging Objectives one to five and will better facilitate Charging Objective six. This will be achieved by reducing the costs incurred by DNOs in procuring the NCA and improving efficiency for both DNOs and LDNOs by enabling DNOs to carry out the calculation of the 'LV mains split' internally.	

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SP Distribution / SP Manweb	Non-confidential	Charging objective six given the change will increase efficiency and reduce the costs associated with this exercise.	
UK Power Networks	Non-confidential	This CP supports Charging Objective 6. Since the LV Split calculation can be done 'in-house' and avoids the use of a third party agent	
WPD	Non-confidential	It negative impacts DCUSA Charging Objective 6 as it creates an addition process and complication to the process.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q9: Are you aware of any wider industry developments that may impact upon or be impacted by this CP?	Working Group Comments
BU-UK	Non-confidential	No.	
Electricity North West	Non-confidential	We are not aware of any wider industry developments that may impact this change.	
ESP Electricity Ltd	Non-confidential	ESPE is not aware of any wider industry developments that would impact the implementation of this CP.	
Leep Utilities	Non-confidential	No comment	
Northern Powergrid on behalf of Northern	Non-confidential	No. This change is only concerned with the practicalities behind the calculation of tariffs in accordance with the existing charging methodologies and has no impact on the underlying methodologies themselves, and so does	

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Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc		not interact with other ongoing industry developments looking at the charging methodologies more widely.	
SP Distribution / SP Manweb	Non-confidential	We are not aware of any wider industry developments that may impact upon or be impacted by this CP.	
UK Power Networks	Non-confidential	No	
WPD	Non-confidential	The SCR will impact this as the current charging methodologies are likely to change as a result.	
Working Group Conclusions:			

Company	Confidential/ Anonymous	Q10: The proposed implementation date for DCP 343 is the first DCUSA Release following Party approval. Do you agree with the proposed implementation date? Please provide your rationale.	Working Group Comments
BU-UK	Non-confidential	Yes.	
Electricity North West	Non-confidential	The data is required no later than the end of October each year and it would seem reasonable for implementation to be linked to the first release following approval.	

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ESP Electricity Ltd	Non-confidential	Yes, there is minimal impact on DCUSA parties and there should not be a requirement to implement significant system changes.	
Leep Utilities	Non-confidential	No comment	
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	Yes. Assuming this is within the next few months, this will enable the efficiency benefits of this change to be realised when DNOs set 2021/22 charges later in 2019.	
SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	Yes, this CP causes a small amount of work to be taken on by the Pricing teams but implementation for the 2021/22 charge setting will still allow time to create processes and controls for the calculation	
WPD	Non-confidential	N/A	
Working Group Conclusions:			