DCP 284 Draft Legal Text

The application of scaling to generation credits in the CDCM

Schedule 20

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 [~~10~~2XX] as issued by the Panel on [~~01 April 2015~~XX]

Version number and date to be included by the Panel on implementation.

Amend Schedule 16, Paragraphs 92 to 95 as follows:

Step 3: Match revenues

89.   The DNO Party uses its volume forecasts to estimate the revenues that would be raised by applying the tariff components derived from step 2, excluding any revenues treated as excluded revenue under the price control conditions.

90.   If any separate charging methodology is used alongside the CDCM, e.g. for EHV users, then the forecast revenues from these charges, excluding any revenues treated as excluded revenue under the price control conditions, are added to the total.

91.   If the forecast of allowed revenue exceeds the estimate of relevant revenues, then the difference is a shortfall. If the estimate of relevant revenues exceeds the forecast of allowed revenue, then the difference is a surplus.

92. Revenue matching is achieved by applying a unit charge adder (p/kWh) calculated as follows: the revenue surplus or shortfall (in pence) to be recovered; divided by the total volume of all demand customers (in kWh) minus [x%] of the total volume of all generation customers (in kWh). 100% of the unit charge adder is applied to demand tariffs, whilst –[x%] of the unit charge adder is applied to generation tariffs.

93.

94. If this procedure would result in a negative value for any demand tariff component or a positive value for any generation tariff component then that tariff component is set to zero, and the unit charge adder figure is modified to the extent necessary to match forecast and target revenue.

95. Not used.