

## **SCHEDULE 16 – COMMON DISTRIBUTION CHARGING METHODOLOGY**

### **Introduction**

3. 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 ~~105~~[TBC] as issued by the Panel on ~~1 April~~ ~~2018~~[TBC]<sup>1</sup>; and
  - (b) the CDCM “Price Control Disaggregation” model version 4.0 as issued by the Panel on 1 April 2018.

### **BASELINE LEGAL TEXT**

#### **Customer contributions under current connection charging policy**

29. The DNO Party estimates the extent to which the assets at each network level used by each category of users would have been expected to be covered by customer contributions if they had been constructed under the charging year’s connection charging policy.
30. The DNO Party groups users into categories, by network level of supply, for the purpose of making these estimates.
31. In the case of generators, the proportions relate to the notional assets whose construction or expansion might be avoided due to the generator’s offsetting of demand on the network, and takes the same values as for a demand user at the same network level of supply.

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<sup>1</sup> The model version number and date are to be added at the direction of the Panel on implementation.

## DCP 243 ONLY

### **Customer contributions under current connection charging policy**

29. The DNO Party estimates the extent to which the assets at each network level used by each category of users would have been expected to be covered by customer contributions if they had been constructed under the charging year's connection charging policy.
30. The DNO Party groups users into categories, by network level of supply, for the purpose of making these estimates.

30A. For the latest completed five year period, the DNO Party determines:

- a) total expenditure; and
- b) total income from Connection Charges

for connections activities which were completed solely by the host DNO (i.e. with no involvement from an Independent Connection Provider), excluding connection schemes for un-metered supplies and embedded generation.

30B. The customer contribution is calculated by taking total income from Connection Charges as a percentage of total expenditure.

31. The network model is discounted by customer contributions at each network level in the calculation of all tariffs. In the case of generators, the proportions relate to the notional assets whose construction or expansion might be avoided due to the generator's offsetting of demand on the network, and takes the same values as for a demand user at the same network level of supply.

## DCP 283 ONLY

### **Customer contributions under current connection charging policy**

29. The DNO Party estimates the extent to which the assets at each network level used by each category of users would have been expected to be covered by customer contributions if they had been constructed under the charging year's connection charging policy.
30. The DNO Party groups users into categories, by network level of supply, for the purpose of making these estimates.
31. The network model is discounted by customer contributions at each network level in the calculation of demand tariffs only. For the purposes of deriving generation credits, the network model is not discounted by any customer contributions.~~In the case of generators, the proportions relate to the notional assets whose construction or expansion might be avoided due to the generator's offsetting of demand on the network, and takes the same values as for a demand user at the same network level of supply.~~

## DCP 243 AND DCP 283

### **Customer contributions under current connection charging policy**

29. The DNO Party estimates the extent to which the assets at each network level used by each category of users would have been expected to be covered by customer contributions if they had been constructed under the charging year's connection charging policy.
30. The DNO Party groups users into categories, by network level of supply, for the purpose of making these estimates.
- 30A. For the latest completed five year period, the DNO Party determines:
- a) total expenditure; and
  - b) total income from Connection Charges
- for connections activities which were completed solely by the host DNO (i.e. with no involvement from an Independent Connection Provider), excluding connection schemes for un-metered supplies and embedded generation.
- 30B. The customer contribution is calculated by taking total income from Connection Charges as a percentage of total expenditure.
31. The network model is discounted by customer contributions at each network level in the calculation of demand tariffs only. For the purposes of deriving generation credits, the network model is not discounted by any customer contributions.~~In the case of generators, the proportions relate to the notional assets whose construction or expansion might be avoided due to the generator's offsetting of demand on the network, and takes the same values as for a demand user at the same network level of supply.~~