

## **Analysis of the impact of DCP 283**

11 August 2017, Reckon LLP

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2. This document presents the results of our analysis of the impact of a modelling change made at the request of the DCP 283 Working Group in July 2017.
3. The reference version is the pre-release CDCM model for 2018/2019 published by the DCUSA Panel in November 2016.

### **Input data and assumptions**

4. The CDCM input data used in this impact assessment are drawn from DNOs' published charging models for 2018/19.
5. No changes were made to these input data.

### **Results of our analysis**

6. We present the results of our analysis in two ways:
  - (a) The files in Appendix 1 sets out the impact of DCP 283 on individual tariffs. This covers the impact on tariff components (unit rates, fixed charges, capacity charges etc), the impact on total forecast revenue from each tariff (split by individual elements), and the impact on forecast revenue from each tariff expressed in p/kWh.
  - (b) Appendix 2 sets out the impact of DCP 283 as a set of charts showing the impact of DCP 283 on forecast revenue from each tariff expressed in £/MPAN/year.
7. The impact of DCP 283 on demand tariffs in terms of £/MPAN/year is small, and ranges from zero up to a maximum of an increase of £905/MPAN/year for the LV UMS (pseudo HH metered) tariff in SSEN SHEPD.
8. When expressed as a percentage, the impact in terms of £/MPAN on demand tariffs ranges from 0 per cent to 0.67 per cent. The impact is less than 1 per cent in all cases.
9. The impact of DCP 283 on generation tariffs in terms of £/MPAN is larger and varies by DNO area. For all but one tariff in one DNO area, the impact of DCP 283 is to increase generation credits (where they exist). The change is particularly large in WPD South West and WPD South Wales, and to a lesser extent in the other WPD and Northern Powergrid areas.
10. The changes to generation tariffs are driven by the input data in table 1060 (Customer contributions under current connection charging policy). DNOs that have larger

contribution percentages relating to higher network levels tend to see bigger changes in generation tariffs, as these contributions are no longer taken into account under DCP 283.

11. For instance, WPD South West and South Wales areas have relatively high percentage contributions in table 1060, and these are reflected in higher generation tariff impacts.
12. For full details of the impact of DCP 283 on all tariffs and DNO areas, please see appendices 1 and 2 to this document.