

DCUSA DCP 240 Consultation responses – collated comments

| Company | Confidential/Anonymous | 1. Do you understand the intent of the DCP 240? | Working Group Response |
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| Electricity North West | Non-confidential | Yes | Noted. |
| Northern Powergrid | Non-confidential | Yes | Noted. |
| SP Distribution / SP Manweb | Non-confidential | Yes SPEN understand the intent of DCP 240. | Noted. |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Non-confidential | <p>Yes.</p> <p>However, we believe the intent should properly read:</p> <p>“To revise the DCUSA to state that the calculation of the LV main split percentage, as defined in Schedule 16, shall be conducted by the Nominated Calculation Agent.”</p> <p>For the avoidance of doubt, we understand that the intent is not to revise or otherwise affect the calculation method as currently specified in Schedule 16.</p> | Noted. |

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| UK Power Networks | Non-confidential | Yes | Noted. |
| Western Power Distribution | Non-confidential | Yes | Noted. |

| Company | Confidential/Anonymous | 2. Are you supportive of the principles of the DCP 240? | Working Group Response |
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| Electricity North West | Non-confidential | Yes | Noted. |
| Northern Powergrid | Non-confidential | Yes | Noted. |
| SP Distribution / SP Manweb | Non-confidential | Yes SPEN are supportive of the principles of DCP 240 | Noted. |
| Southern Electric Power Distribution | Non-confidential | Yes, this proposal extends the current process adopted for the "HV split". | Noted. |

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| tion plc and Scottish Hydro Electric Power Distribu tion plc | | | |
| UK Power Network s | Non- confident ial | Yes | Noted. |
| Western Power Distribu tion | Non- confident ial | Yes | Noted. |

| Compa ny | Confide ntial/ Anonym ous | 3. Do you consider that the introduction of this change will provide greater efficiency and accuracy in the calculation of the LV Mains Split | Working Group Response |
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| Electrici ty North West | Non- confident ial | Yes. Though it is necessary to consider what the additional cost will be of using the Nominated Calculation Agent to calculate this, compared to the cost of each DNO performing this task individually. | Noted. The contract for utilising the NCA will be procured by the DNOs and as such it will not be possible to quantify any specific cost savings. There will be no real savings for DNOs as this work needs to be carried out now, so any real benefit will be in providing greater consistency and it will be carried out at the same time as the HV split which is currently provided by the Nominated Calculation Agent. |
| Norther n | Non- confident | Yes – it will ensure that the calculation is carried out in a consistent manner and will be consistent with the | Noted. |

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| Powergrid | ial | approach taken for the HV split, which is currently managed by the Nominated Calculations Agent appointed by the DNOs | |
| SP Distribution / SP Manweb | Non-confidential | Yes SPEN consider that the introduction of this change will provide greater efficiency in the calculation of the LV Mains Split | Noted. |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Non-confidential | Yes, for the reasons given in the CP and consultation document. | Noted. |
| UK Power Networks | Non-confidential | The change should provide consistency for parties by providing an organised process similar to that undertaken for the HV split calculation. The use of the calculation agent should ensure that data is provided by the most appropriate party therefore increasing accuracy. | Noted. |
| Western Power Distribution | Non-confidential | Yes | Noted. |

| Company | Confidential/Anonymous | 4. Do you have any comments on the proposed legal text? | Working Group Response |
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| Electricity North West | Non-confidential | No | Noted. |
| Northern Powergrid | Non-confidential | None at this time | Noted. |
| SP Distribution / SP Manweb | Non-confidential | No comments. | Noted. |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Non-confidential | No. | Noted. |
| UK Power | Non-confidential | Yes. We believe more work needs to be undertaken to address deficiencies in the legal text. There are also | The Working Group noted that the Section 2B legal text included embedded network operators in its drafting and |

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| Networks | ial | <p>deficiencies present in the accompanying spreadsheet. The legal text in Section 2B 42.13 should mention DNO parties operating out of their DSA.</p> <p>The formula in schedule 16 refers to 3 data items which can only be sourced from the DNO party and 1 data item (number of end users on LV connected licensed embedded networks) that is best sourced from the embedded network operator.</p> <p>The spreadsheet sets out that 2 data items will be collected from DNO parties and 2 from the embedded network operator. This intention is based on the assumption that the data requirements for the LV Split are the same as the HV split and this is not the case. We do not believe the same logic that is used for ringed HV networks can be used for radial LV networks.</p> <p>The spreadsheet is also unclear about the definition of LV for the LDNO assets. The definition should be for LV networks connected at LV to DNO networks.</p> | as a result included DNOs operating out of area. The excel spreadsheet was deemed out of scope of this change. |
| Western Power Distribution | Non-confidential | No | Noted. |

| Company | Confidential/Anonymous | <p>5. Which DCUSA General Objectives does the CP better facilitate? Please provide supporting comments.</p> <ol style="list-style-type: none"> 1. The development, maintenance and operation by each of the DNO Parties and IDNO Parties of an efficient, co-ordinated, and economical Distribution System. 2. The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent with that) the promotion of such competition in the sale, | Working Group Response |
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| | | <p>distribution and purchase of electricity.</p> <p>3. The efficient discharge by each of the DNO Parties and IDNO Parties of the obligations imposed upon them by their Distribution Licences.</p> <p>4. The promotion of efficiency in the implementation and administration of this Agreement and the arrangements under it.</p> <p>5. compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p> | |
| Electricity North West | Non-confidential | <p>This change proposal better meets general objective 1 as the CP ensures that the methodology used by each DNO is more consistent and more co-ordinated.</p> <p>This change proposal better meets general objective 2 as it will result in a more accurate value for the LV split and therefore more cost reflective tariffs for LDNOs.</p> | Noted. |
| Northern Powergrid | Non-confidential | <p>DCUSA General Objective Two - The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity.</p> <p>Procuring the Nominated Calculation Agent to undertake the LV Mains Split percentage would ensure timely and accurate update of such data item in the PCDM, ensuring transparency of such process and cost reflective IDNO discount factors and DUoS charges to be calculated.</p> | Noted. |

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| SP Distribu tion / SP Manweb | Non- confident ial | SPEN agrees with the working group that General Objective two is better facilitated by this CP. | Noted. |
| Souther n Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc | Non- confident ial | See Q6. | Noted. |
| Souther n Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu tion plc | Non- confident ial | To procure the Nominated Calculation Agent to undertake the LV Mains Split percentage would ensure timely and accurate updates in the PCDM, ensuring transparency of the process and cost reflective IDNO discount factors (and hence DUoS charges) are calculated. Such cost reflective charges would promote competition in the distribution and supply of electricity. | Noted. |
| UK Power | Non- confident | Objective 1. The use of the calculation agent should provide greater efficiency by ensuring the appropriate | Noted. |

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| Network s | ial | data is provided by the party who has that data. | |
| Western Power Distribu tion | Non- confident ial | 2 & 3 - This change will mean the calculation of the LV Mains split will be consistently and efficiently carried out. | Noted. |

| Compa ny | Confide ntial/ Anonym ous | <p>6. Which DCUSA Charging Objectives does the CP better facilitate? Please provide supporting comments.</p> <ol style="list-style-type: none"> 1. that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence. 2. that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences). 3. that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution | Working Group Response |
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| | | <p>Business.</p> <p>4. that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business.</p> <p>5. that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p> | |
| Electricity North West | Non-confidential | <p>This change proposal better meets charging objective 1 as the CP ensures that the methodology used by each DNO is more consistent and more co-ordinated.</p> <p>This change proposal better meets charging objective 2 as it will result in a more accurate value for the LV split and therefore more cost reflective tariffs for LDNOs.</p> | Noted. |
| Northern Powergrid | Non-confidential | <p>DCUSA Charging Objective One There will be increased efficiency and use of resources in the Nominated Calculation Agent undertaking this calculation as opposed to a number of Parties undertaking this calculation individually as this activity is already carried out for the HV split.</p> <p>DCUSA Charging Objective Two - the submission of consistent data for the LV Mains Split Calculation to the Nominated Calculation Agent would prevent distortion of DNO's revenue ensure greater cost reflectivity is passed through to charges.</p> | Noted. |

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| SP Distribution / SP Manweb | Non-confidential | SPEN agrees with the working group that Charging Objectives one and two are better facilitated by this CP. | Noted. |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Non-confidential | In our view Charging Objectives 1 and 2 are better facilitated. To procure the Nominated Calculation Agent to undertake the LV Mains Split percentage would ensure timely and accurate updates in the PCDM, ensuring transparency of the process and cost reflective IDNO discount factors (and hence DUoS charges) are calculated. Such cost reflective charges would promote competition in the distribution and supply of electricity. | Noted. |
| UK Power Networks | Non-confidential | Objective 2. The improvements to sourcing of data should help to prevent distortion. Objective 4. The data source used is being changed so that it is provided by the party who has the best information on that data. | Noted. |
| Western Power Distribution | Non-confidential | 2 & 3 – See Question 5 | Noted. |

| Company | Confidential/Anonymous | 7. Are you aware of any wider industry developments that may impact upon or be impacted by this CP? | Working Group Response |
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| Electricity North West | Non-confidential | No | Noted. |
| Northern Powergrid | Non-confidential | None at this time | Noted. |
| SP Distribution / SP Manweb | Non-confidential | No. | Noted. |
| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Non-confidential | No. | Noted. |
| UK Power Networks | Non-confidential | No | Noted. |
| Western Power | Non-confidential | No | Noted. |

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| Compa ny | Confide ntial/ Anonym ous | 8. Do you agree with the implementation date proposed by the DCP 240 change? | Working Group Response |
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| Electrici ty North West | Non- confident ial | Yes | Noted. |
| Norther n Powergr id | Non- confident ial | Yes | Noted. |
| SP Distribu tion / SP Manweb | Non- confident ial | Yes SPEN agree with the implementation date. | Noted. |
| Souther n Electric Power Distribu tion plc and Scottish Hydro Electric Power Distribu | Non- confident ial | Yes. | Noted. |

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| tion plc | | | |
| UK Power Networks | Non-confidential | We feel that further work needs to be undertaken and this may involve further consultation. This may delay the proposed implementation date. | |
| Western Power Distribution | Non-confidential | Yes | Noted. |

| Company | Confidential/Anonymous | 9. Are there any alternative solutions or matters that should be considered by the Working Group? | Working Group Response |
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| Electricity North West | Non-confidential | We would like the Working Group to clarify whether the intention is for the NCA to calculate one LV split value for all DNOs or a DNO specific value. The legal text implies that a separate value will be calculated for each DNO. Based on this assumption we are supportive of the change, but would request that the legal text is made clearer in this regard. | The Working Group considered that the proposed legal text change to Schedule 16 Clause 114 which requests the NCA to provide an estimate for each DNO area is sufficiently clear in its intent. |
| Northern Powergrid | Non-confidential | None that we are aware of. | Noted. |
| SP Distribution / SP Manweb | Non-confidential | SPEN are now aware of any alternative solution or matter that should be considered by the Working Group. | Noted. |

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| Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc | Non-confidential | No. | Noted. |
| UK Power Networks | Non-confidential | Only as previously stated. | Noted. |
| Western Power Distribution | Non-confidential | No | Noted. |