

**DCP 234 Consultation responses – Collated Comments**

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>1. Do you understand the intent of DCP 234?</b>	<b>Working Group Comments</b>
ENWL	Non-confidential	Yes, we understand the intent of DCP234.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	Yes.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.	Noted.

SP Distribution / SP Manweb	Non-confidential	Yes we understand the intent of DCP 234	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	Yes	Noted.
UK Power Networks	Non-confidential	Yes.	Noted.
Western Power Distribution	Non-confidential	Yes	Noted.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>2. Are you supportive of the principles of DCP 234?</b>	<b>Working Group Comments</b>
ENWL	Non-confidential	Yes, we support the principles of DCP234.	Noted.
Northern Powergrid on behalf of Northern Powergrid	Non-confidential	Yes.	Noted.

(Yorkshire) Plc and Northern Powergrid (Northeast) Ltd			
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes.	Noted.
SP Distribution / SP Manweb	Non-confidential	Yes we are supportive of the principles of DCP 234	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	Yes, we are fully supportive of the principles underlying DCP 234.	Noted.

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

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>3. Are you supportive of the approach taken in the redraft the legal text (i.e. creating a new schedule dedicated to the calculation of LDNO discounts) and removing this information from Schedules 16, 17 and 18)?</b>	<b>Working Group Comments</b>
ENWL	Non-confidential	Yes, it is our view that this is both a clearer presentation, and better reflects the approach taken in the new combined model. It should also make the legal text easier to change if there needs to be any adjustments to the calculation in future.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	We agree with the approach taken, as consolidating the legal text relating to LDNO charging will improve the efficiency and accuracy in the application of the charging methodologies. A consolidated text will also make it easier for all Parties to review and bring forward changes to the text under open governance.	Noted.

Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Yes. The creation of a new schedule dedicated to the calculation of LDNO discounts rather than the current arrangement is more practical.	Noted.
SP Distribution / SP Manweb	Non-confidential	Yes we are supportive of the approach taken in the redraft of the legal text.	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	Yes, we support the approach taken in the redraft of the legal text. We believe that this redraft will allow an easier understanding of the process behind the calculation of LDNO discounts. The creation of a new Schedule will add clarity to the process and aid in raising future changes.	Noted.
UK Power Networks	Non-confidential	Yes, this approach significantly reduces the amount of legal text relating to the LDNO discounts which currently exists within the three Use of System charging schedules.	Noted.
Western Power Distribution	Non-confidential	Yes	Noted.

Company	Confidential/ Anonymous	4. Do you have any comments on the proposed legal text?	Working Group Comments
ENWL	Non-confidential	We are in agreement with the drafting of the legal text.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	No.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No.	Noted.
SP Distribution	Non-confidential	No comments	Noted.

/ SP Manweb			
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	We have no further comments on the proposed legal text.	Noted.
UK Power Networks	Non-confidential	No.	Noted.
Western Power Distribution	Non-confidential	No	Noted.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>5. Do you have any comments on the updated model or associated documentation? Please provide supporting comments.</b>	<b>Working Group Comments</b>
ENWL	Non-confidential	It is our view that the model achieves the objectives of the change proposal. We have tested the model and found the outputs to be in line with our expectations.	Noted.
Northern Powergrid on behalf of Northern Powergrid	Non-confidential	We believe that the 'look and feel' of the new model is an improvement on the previous versions, but agree with the Working Group that further documentation is required to ensure all DNOs populate the model on a consistent basis.	The Working Group agreed to ask Reckon to provide further documentation on the population of the models. A document containing where each input table should be populated from and the notes should be removed from the template to make it clearer.

(Yorkshire) Plc and Northern Powergrid (Northeast) Ltd			
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	No.	Noted.
SP Distribution / SP Manweb	Non-confidential	No comments	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	The updated model appears to be much more user friendly, mainly due to the consolidation of numerous worksheets into the five simple sheets. We believe that this approach will improve the understanding of the model and promote a much more efficient administration of the methodology. The associated documentation is thorough and well structured, aiding in the understanding of the model and CP.	Noted.

UK Power Networks	Non-confidential	We believe that as this would be a new model, it is vital that a complete set of user guidance for the population of the model by DNOs is published alongside the updated model and legal text. This would ensure that all parties who populate the model or look at the output have the same understanding.	Noted.
Western Power Distribution	Non-confidential	No	Noted.

Company	Confidential/Anonymous	6. For DNOs: Can you populate the model easily? Does the model provide identical results to the existing 2016/17 version of the PCDM and E-PCDMs? Provide supporting comments.	Working Group Comments
ENWL	Non-confidential	The model is easy to populate, and provides identical results to the existing 2016/17 version of the PCDM and E-PCDMs.	Noted. The Working Group
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	We were able to populate the model easily. There were no material differences between the calculated charges and the published 2016/17 charges. The EDCM discounts produced by the new model are identical, whilst the CDCM discounts have slight differences in the second decimal point of the discount percentages.	Noted.

Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	The model is easy to populate with the supporting document. We have tested the data input from SEPD and SHEPD 2016/17 PCDM and E-PCDM in the new combined model and have replicated the LDNO discounts to within $\pm 0.1\%$ of the published discount percentages.	Noted.
SP Distribution / SP Manweb	Non-confidential	Yes the results were the same as our existing 2016/17 PCDM and E-PDCM models.	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	N/A	Noted.
UK Power Networks	Non-confidential	Yes we can populate the model easily. We did observe some small differences which we understand and on a 'like for like' basis the results are identical.	Noted.
Western Power Distribution	Non-confidential	Yes. WPD has tested this against the April 2017 models	Noted.

Company	Confidential/ Anonymous	7. Do you feel that the new version is an improvement upon the existing version? Do you think that there are any additional improvements that could be made that would further enhance the usability of the new PCDM?	Working Group Comments
ENWL	Non-confidential	The new version is an improvement on the existing models. We are satisfied that the new version fully meets the intent of the change proposal.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	Yes. The process of populating the model is more efficient. The calculations in the new model are more transparent as they occur on only two sheets rather than seven sheets per each existing model. Although the instructions provided by the DCUSA modelling consultant in the input sheet for the source of the data are clear, we agree with the Working Group that user documentation would further enhance the usability of the new PDCM.	Noted. Please see response above.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power	Non-confidential	Yes. Replacing the PDCM and E-PCDM with one combined model means there is no requirement for repetition of data between two models. The combined model has been formatted in a similar way to the CDCM/EDCM model which enhances its usability from the previous models.	Noted.

Distribution plc			
SP Distribution / SP Manweb	Non-confidential	Yes the new version is an improvement upon the existing version.	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	Yes, the new version is an improvement upon the existing version. At this time we do not foresee any additional improvements that would enhance the usability of the new PCDM.	Noted.
UK Power Networks	Non-confidential	We believe that the new combined PCDM model is a significant improvement over the current models, and as noted in the response to Q5 we believe that user guidance notes are an essential requirement to be provided alongside the legal text, although this would not be part of DCUSA (similar to the CDCM and EDCM User Guides).	Noted.
Western Power Distribution	Non-confidential	Yes. If the PCDM was incorporated in the CDCM this would be a further improvement.	Noted.

Company	Confidential/ Anonymous	8. The Working Group feel that DCUSA General Objectives 2 and 3 would be better facilitated by the implementation of DCP 234; please provide your comments on this and any other DCUSA General Objective you feel will be impacted by DCP 234.	Working Group Comments
ENWL	Non-confidential	We agree with the working group that the implementation of DCP234 would better facilitate DCUSA General Objectives 2 and 3. This change would encourage competition by making it easier for LDNOs to understand charges and enter markets. This change would also improve the efficiency of the discharge of Licence obligations by eliminating the duplication of entry of data into charging models.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	<p>We feel the proposal better facilitates:</p> <ul style="list-style-type: none"> <li>• General Objective 2 as the consolidation of the legal text will aid transparency and make it easier for Parties to understand LDNO discount calculation. In particular, the consolidation of information will make it easier for a new market entrant to understand the calculation of discounts; and</li> <li>• General Objective 3 as DNOs will only need to populate one PDCM model to remain compliant with the DCUSA.</li> </ul>	Noted.
Southern Electric Power Distribution	Non-confidential	We are in agreement with the Working Group views.	Noted.

plc and Scottish Hydro Electric Power Distribution plc			
SP Distribution / SP Manweb	Non-confidential	We agree with the working group that DCUSA General Objectives 2 and 3 would be better facilitated.	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	<p>We feel that the implementation of DCP 234 would better facilitate DCUSA general objectives 2 and 3 for the following reasons:</p> <p>Objective 2 – It is easier for suppliers and/or new IDNO market entrants to follow and understand the process of PCDM discounts.</p> <p>Objective 3 – It supports Licence condition 13.3b of the distribution licence, which states that ‘compliance with the methodology facilitates competition in the generation and supply of electric, and does not restrict, distort, or prevent competition in the transmission or distribution of electricity’. DCUSA general objective 2 is also satisfied by this Licence Condition.</p> <p>There are no further DCUSA general objectives that we feel are impacted.</p>	Noted.

UK Power Networks	Non-confidential	We would agree that general objective 2 and 3 are better facilitated by this change as it would significantly improve the efficiency of the arrangements for the calculation of the LDNO discounts by creating a single model, alongside a single schedule of legal text.	Noted.
Western Power Distribution	Non-confidential	WPD agree with the working group.	Noted.

Company	Confidential/Anonymous	9. The Working Group feel that DCUSA Charging Objectives 1, and 2 would be better facilitated by the implementation of DCP 234; please provide your comments on this and any other DCUSA Charging Objective you feel will be impacted by DCP 234.	Working Group Comments
ENWL	Non-confidential	We agree that DCUSA Charging Objectives 1 and 2 are better facilitated by the implementation of DCP234.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	<p>We feel the proposal better facilitates:</p> <ul style="list-style-type: none"> <li>• Charging Objective 1 as DNOs will only need to populate one PDCM model to remain compliant with the DCUSA; and</li> <li>• Charging Objective 2 as the consolidation of the legal text will aid transparency and make it easier for Parties to understand LDNO discount calculation. In particular, the consolidation of</li> </ul>	Noted.

		<p>information will make it easier for a new market entrant to understand the calculation of discounts.</p> <p>Ultimately we hope that this change will enable Parties to bring forward changes to update the input data and calculation methods being used to calculate LDNO discounts. So in the long-run we believe this change also has the potential to enable changes to be brought forward to better facilitate Charging Objective 3 (cost reflectivity) as the input data could more easily be brought up to date and calculation methods updated as required.</p>	
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	We are in agreement with the Working Group views.	Noted.
SP Distribution / SP Manweb	Non-confidential	We agree with the working group that DCUSA Charging Objectives 1 and 2 would be better facilitated.	Noted.
The Electricity Network	Non-confidential	We feel that the implementation of DCP 234 would better facilitate DCUSA charging objectives 1 and 2.	Noted.

Company, Independent Power Networks Ltd		There are no further DCUSA charging objectives that we feel are impacted.	
UK Power Networks	Non- confidential	We would agree that charging objective 1 and 2 are better facilitated by this change as it would significantly improve the efficiency of the arrangements for the calculation of the LDNO discounts by creating a single model, alongside a single schedule of legal text.	
Western Power Distribution	Non- confidential	WPD agree with the working group.	Noted.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>10. DCP 234 is due to be implemented on the 01 April 2018. Do you have a preference on the date that DCP 234 is implemented in to the DCUSA?</b>	<b>Working Group Comments</b>
ENWL	Non- confidential	DCP234 should be implemented in time for charges published effective from 1 <sup>st</sup> April 2018.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern	Non- confidential	We agree with the proposed implementation date.	Noted.

Powergrid (Northeast) Ltd			
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Our preference would be 1 <sup>st</sup> April 2018.	Noted.
SP Distribution / SP Manweb	Non-confidential	No preference.	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	It is our preference that DCP 234 is implemented on the current proposed date.	Noted.
UK Power Networks	Non-confidential	We believe that this change should be implemented from 1 April 2018.	Noted.

Western Power Distribution	Non-confidential	WPD agree with the 1 <sup>st</sup> April 2018 implementation date.	Noted.
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<b>Company</b>	<b>Confidential/Anonymous</b>	<b>11. Are you aware of any wider industry developments that may impact upon or be impacted by this CP?</b>	<b>Working Group Comments</b>
ENWL	Non-confidential	None that we are aware of.	Noted.
Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	Not that we are aware of.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power	Non-confidential	Not aware of any.	Noted.

Distribution plc			
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.	Noted.
The Electricity Network Company, Independent Power Networks Ltd	Non-confidential	Currently we are unaware of any wider industry developments that may impact on or may be impacted by DCP 234.	Noted.
UK Power Networks	Non-confidential	No, none which we are aware of.	Noted.
Western Power Distribution	Non-confidential	No	Noted.

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>12. Are there any alternative solutions or unintended consequences that should be considered by the Working Group?</b>	<b>Working Group Comments</b>
ENWL	Non-confidential	None that we are aware of.	Noted.

Northern Powergrid on behalf of Northern Powergrid (Yorkshire) Plc and Northern Powergrid (Northeast) Ltd	Non-confidential	Not that we are aware of.	Noted.
Southern Electric Power Distribution plc and Scottish Hydro Electric Power Distribution plc	Non-confidential	Not aware of any.	Noted.
SP Distribution / SP Manweb	Non-confidential	None.	Noted.
The Electricity Network Company,	Non-confidential	We do not believe that there are any better or alternative solutions that should be considered by the Working Group. Furthermore, we do not foresee any unintended	

Independent Power Networks Ltd		consequences that should be considered by the Working Group.	
UK Power Networks	Non-confidential	No, none which we are aware of.	Noted.
Western Power Distribution	Non-confidential	No	Noted.