

To: Kevin Woollard, DCUSA Modelling Support Contract Manager

**Request for consultancy support for DCP 234 'Merging the PCDM and extended PCDM'**

I am writing on behalf of the DCP 234 Working Group to request consultancy support to merge the PCDM and Extended PCDM into a single model, and create a new schedule in DCUSA which contains the legal text that relates to LDNO charging that is currently contained in Schedules 16, 17 and 18.

Currently DNOs need to update 2 models to calculate the discounts that are applied to LDNO tariffs. The models are very similar and contain the same inputs, so it would be more efficient to replace the two models with one. The methodology that determines the discounts is contained in 3 separate places within DCUSA and there is a large amount of duplication. It is proposed to extract all the legal text that relates to LDNOs and place them into a new schedule. This will simplify the governance process and make it easier for stakeholders to bring forward changes.

The group believe that a consultant needs to be employed because:

- The expertise does not exist within the Working Group to ensure that the models are created in a robust way which ensures no impacts on prices
- That all references to the LDNOs are placed into the correct schedule, and as the DCUSA modelling consultant drafted the legal text it will be an efficient way to ensure that no legal text is inadvertently removed

The anticipated work required is detailed below:

- To discuss, if necessary, with members of the DCP 234 Working Groups what is required
- To merge the PCDM and Extended PCDM into one model (Note: There should be no impact on prices as a result of combining the two models)
- To improve the transparency of the combined PCDM by removing any unused input data and by improving the format/layout of the calculation sheets
- To place all the LDNO legal text from Schedules 16, 17 and 18 into a new DCUSA schedule
- If necessary, attend a DCP Working Group meeting to review and discuss what is needed

We would like to request the following KPIs:

- KPI-13: Updated models and impact estimates
- KPI-05: Model documentation
- KPI-02 (meetings)
- KPI-17 (ad hoc day)

Regards,  
Claire Campbell  
DCP 234 Working Group Chair