

Anika Brandt Legal Text Comment - E-mail 03 March 2016 - Draft Legal Text

I've reviewed the legal text as well and my only comment is that the **paragraphs in Schedule 16 (124, 125) relating to the application of discount percentages to determine portfolio tariffs are not contained within the revised text.**

124. For demand users, the discount percentages are applied to all tariff components in all the -way tariffs in order to determine embedded network portfolio tariffs.

125. For generation users, the unit rate element (p/kWh) is not discounted, reflecting the modelling assumption that generation benefits are seen at the voltage level above the Exit Point, and therefore the embedded LDNO simply "passes on" the benefits seen at the DNO Party level. The fixed charge element (p/day) is discounted at 100 per cent, as this tariff component in the all-the-way tariff recovers costs associated with the allocation of other expenditure to service assets, which are not provided by the DNO Party.

Although this is not about the methodology behind the discount percentage calculation, would we still want this within the new schedule?

Chris Ong - E-mail 03 March 2016 – Draft Legal Text

I have read through the proposed new schedule of legal text for DCP234 which has been drafted by Reckon, and as far as I can I have referred back to the existing legal text. I am comfortable that it is as expected and have made a few changes to address what I consider to be only small textual errors, see attached '*DCP 234 Draft text for a merged schedule Feb 2016_CO*'. However on page 6 (although the pages are not numbered) there is a **table titled 'Mapping of assets to network levels' this is the same as the existing legal text but I question why '6.6/11 kV switch pole-mounted' would be classed as HV network level and '6.6/11 kV switch ground-mounted' would be classed as HV/LV network level, surely they should be the same?** Any thoughts on this point, or anything in this proposed new schedule?

Pamela Howe – E-mail 03 March 2016 – Minor change to a typing error - Draft Legal Text

9. For each network level, the DNO Party calculates a category of operating costs called "Load related new connections & reinforcement (net of contributions)" as the sum of the following elements:

Chris Ong - E-mail 08 March 2016 – Proposed Model

We have completed our review of the differences in the UK Power Networks PCDM and Extended PCDM models, to those produced through the combined PCDM model as part of DCP234.

Upon investigation the differences are as a result of a couple of values that had not been updated in the population of the models. We have now taken both the PCDMs and Extended PCDMs for all three UK Power Networks regions and revised the data in line with the comments from Reckon. This revision has resulted in discounts which either remain equal to or are slightly less than the current published values. These values now also equal the revised model.

As changes to the published models would change the discounts currently used we propose that the implementation of the combined PCDM is aligned to an April price revision of 1 April 2018 or later.

DCP 234 Working Group Comments Received on the Legal Text and the Proposed Model

Furthermore we have reviewed the combined PCDM model and are comfortable with its design. We would also make the observation that it is a far clearer model to populate. Due to problems encountered with the previous models we consider that the delivery of the model should come with user documentation to support user's population of the model.

We support holding a further meeting before issuing anything further for this change, in order to confirm that all parties are now comfortable to publish the consultation, noting that in the Reckon paperwork other DNOs had some issues which might need review.