

## DCUSA DCP 198 &amp; 212 Consultation responses – collated comments

Company	Confidential/ Anonymous	1. Do you agree with the intent of DCP 198?	Working Group Response
			The Working Group noted that all respondents agree with the intent of DCP 198.
Electricity North West	Non-confidential	Yes	
Northern Powergrid	Non-confidential	Yes, Northern Powergrid understands the intent of this change proposal to align the current Price Control Disaggregation Model (PCDM) with the relevant legal text as laid out within DCUSA.	
SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	Yes.	
Company	Confidential/ Anonymous	2. Do you agree with the principles of DCP 198?	

			The Working Group noted that all the respondents agreed with the principles of DCP 198.
Electricity North West	Non-confidential	Yes	
Northern Powergrid	Non-confidential	Yes, Northern Powergrid agrees with the principle of this change proposal as it seeks to remove any differences between the legal text and the current PDCM model.	
SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	Yes.	

<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>3. Do you have any comments on the proposed legal text for DCP 198? Please provide supporting comments.</b>	
			The Working Group reviewed and noted all the responses. The members agreed with many of the comments and agreed to amend the legal text as suggested within the responses. The individual actions are listed beside the respective comments.
Electricity	Non-	The comments below relate to Schedule 16 and the equivalent	Paragraph 101 – The Working Group agreed with this comment,

North West	confidential	<p>paragraphs in Schedule 17 and 18:</p> <p>Paragraph 101 no longer mentions that negative values are set to zero. However, I believe this still happens so the Working Group should consider whether this should be reinstated?</p> <p>Paragraphs 105 and 113D do not reference EHV/HV. It is not clear whether this transformation level is classified as EHV or HV. This should be clarified in the legal text.</p> <p>Paragraphs 112 and 112A. The equations could be presented better by stating what they are equal to, rather than including part of the formula in the last sentence of the paragraph. E.g. for paragraph 112:</p> $\text{adjusted Total revenue to share} = \frac{\text{Total revenue to share} - [\text{EHV Revenue}] * [\text{Total revenue to share}]}{[\text{Total allowed revenue}]}$ <p>Formatting – tables should have gridlines to make them easier to read</p> <p>Also, the working group should consider merging the LDNO text into one Schedule rather than having the same text in 3 Schedules. This would assist in managing the open governance process and make it easier to merge the two PCDMs at a later date.</p>	<p>and felt that this should be reinstated.</p> <p>Paragraphs 105 and 113D – The Working Group agreed with this comment, and to refer this back to the consultant</p> <p>Paragraph 112 and 112A – The Working Group agreed that this is not a necessary change, but will make the presentation easier for users, so agreed to have the consultant to make the formatting changes.</p> <p>The Working Group agreed to send instruction back to the DCUSA consultant to make the agreed changes to the legal text.</p> <p><b>ACTION: ELECTRALINK</b></p> <p>The Working Group discussed the last point and agreed with the content, but felt that this was out of scope of the CP as it is to align the current text with the PCDM.</p>
Northern Powergrid	Non-confidential	No, none at this time.	
SP	Non-	Having reviewed the legal text, the following observations have	Paragraph 103 – The Working Group noted that this is

Distribution / SP Manweb	confidential	<p>been made in relation to the following paragraphs:</p> <p>103- Excludes the HV network switchgear assets. Data is included in the model (tab FBPQC2 asset costs, but not in FBPQ T4 asset volumes), as such the calculated output in (Calc-MEAV) will not be impacted upon this data, so the exclusion of this data could be considered appropriate.</p> <p>105 - Mentions “four” segments rather than “five”, (see paragraph 97)</p>	<p>contained within the current model, but is not referenced. The Working Group agreed to leave this as it is</p> <p>Paragraph 105 – The Working Group agreed that a solution to this would be to replace the “and” with a “/” between the EHV and 132 (in 2 places).</p> <p>The Working Group agreed to send instruction back to the DCUSA consultant to make the agreed changes to the legal text.</p> <p><b>ACTION: ELECTRALINK</b></p>
UK Power Networks	Non-confidential	<p>No, we agree with the changes made by the working group in conjunction with the DCUSA modelling consultant. In our view these changes now provide greater clarity to the reader by more clearly describing the PCDM model.</p>	

<b>Company</b>	<b>Confidential/ Anonymous</b>	<p><b>4. The Working Group considers that DCUSA General Objective 1<sup>1</sup> and Charging Objectives 1 and 3 are better facilitated by DCP 198, do you agree with this opinion? Please provide supporting comments on this and any other DCUSA General or Charging Objective you feel is impacted by DCP 198.</b></p>	
			<p>The Working Group reviewed and noted the comments within the responses. It is also noted that the majority of respondents agree with the Working Group’s assertions regarding the</p>

<sup>1</sup> The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks

			DCUSA General and Charging Objectives.
Electricity North West	Non-confidential	<p>We agree that that this CP better meets charging objective 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). In particular SLC 12.4 states that charges to be made must be consistent with the relevant Charging Methodology. As there are a number of inconsistencies between the DCUSA legal text and the PCDM at present this CP will remove this inconsistency and therefore better meet this objective.</p> <p>We believe this CP is neutral to DCUSA general objective 1 and Charging Objective 3 as there will be no impact on the PCDM and therefore no price impact as a result of this change.</p>	
Northern Powergrid	Non-confidential	Yes, Northern Powergrid agrees that both Charging Objectives 1 & 3 and General Objective 1 are better facilitated by this change proposal.	
SP Distribution / SP Manweb	Non-confidential	Yes, This proposal is to remove any differences between the legal text and PDCM.	
UK Power Networks	Non-confidential	We would agree with the view of the working group that DCUSA general Objective 1 and Charging Objectives 1 and 3 are better facilitated as a result of this change proposal. This is a result of the methodology being more closely aligned to the	

		model utilised, and by including relevant wording to better describe elements which the methodology was previously silent on.	
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<b>Company</b>	<b>Confidential/ Anonymous</b>	<b>5. Do you agree with the implementation date of DCP 198?</b>	
			The Working Group note that all respondents agree with the implementation date as proposed by the DCP 198 Working Group.
Electricity North West	Non-confidential	Yes	
Northern Powergrid	Non-confidential	Yes, Northern Powergrid is supportive of the implementation date of this change proposal which would enable it to be used for the April 2015 charges.	
SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	As there will be no impact upon the charges set as a result of the legal text being revised to align to the discount models, we would agree with introducing this change asap once agreed.	

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>6. Are there any alternative solutions or matters that should be considered by the Working Group for DCP 198?</b>	
Electricity North West	Non-confidential	As mentioned above, the working group should consider merging the LDNO text into one Schedule rather than having the same text in 3 Schedules	The Working Group reviewed and noted this comment, and again reiterates that this is outside the scope of this Working Group.
Northern Powergrid	Non-confidential	No, none at this time.	
SP Distribution / SP Manweb	Non-confidential	No	
UK Power Networks	Non-confidential	No we do not believe so.	

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>7. Do you agree with the intent of DCP 212?</b>	
			The Working Group noted that all respondents agree with the intent of DCP 212.
Electricity North West	Non-confidential	Yes	

	ntial		
Northern Powergrid	Non-confidential	Yes, Northern Powergrid understands the intent of this change proposal to align the current Extended Price Control Disaggregation Model (EPCDM) with the relevant legal text as laid out within DCUSA.	
SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	Yes.	

<b>Company</b>	<b>Confidential/Anonymous</b>	<b>8. Do you agree with the principles of DCP 212?</b>	
			The Working Group noted that all the respondents agreed with the principles of DCP 212.
Electricity North West	Non-confidential	Yes	
Northern Powergrid	Non-confidential	Yes, Northern Powergrid agrees with the principle of this change proposal as it seeks to remove any differences between the legal text and the current EPDCM model.	

SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	Yes.	

Company	Confidential/Anonymous	9. Do you have any comments on the proposed legal text for DCP 212? Please provide supporting comments.	
			The Working Group reviewed and noted all the responses. The members agreed with many of the comments and agreed to amend the legal text as suggested within the responses. The individual actions are listed beside the respective comments.
Electricity North West	Non-confidential	See answer to Q3 above	The Working Group agreed to send instruction back to the DCUSA consultant to make the agreed changes to the legal text.  <b>ACTION: ELECTRALINK</b>
Northern Powergrid	Non-confidential	No, none at this time.	

<p>SP Distribution / SP Manweb</p>	<p>Non- confide ntial</p>	<p>Having reviewed the legal text, the following observations have been made in relation to the following paragraphs:</p> <p>Schedule 17 25.7, Schedule 18 25.7</p> <p>Excludes the HV network switchgear assets. Data is included in the model (tab FBPQC2 asset costs, but not in FBPQ T4 asset volumes), as such the calculated output in (Calc-MEAV) will not be impacted upon this data, so the exclusion of this data could be considered appropriate.</p> <p>Schedule 17 25.9 , Schedule 18 25.9</p> <p>Mentions “four” segments rather than “five”, (see paragraph 97)</p> <p>Schedule 17 25.10, Schedule 18 25.10 - is missing the word “ratio”, at the end of the paragraph – see DCP198 paragraph 107.</p> <p>Schedule 17 25.12A, Schedule 18 25.12A could make reference to paragraphs 25.4-25.11 i.e.</p> <p>The DNO Party determines a breakdown of price control allowed revenue over the period from 2005/2006 to 2009/2010 between (1) operating expenditure, (2) depreciation and (3) return on regulatory asset value. Each of these three components of price control allowed revenue is then allocated across each network level using the percentage cost drivers as calculated for each such network level <b>in accordance with the provision of paragraphs 25.4-2511A</b>. The allocations of each of the three components of price control allowed revenue are aggregated by network level to obtain a percentage per network level of total price control allowed revenue.</p>	<p>25.10 – The Working Group agrees with this point</p> <p>25.12a – The Working Group agrees with this comment</p> <p>The Working Group agreed to send instruction back to the DCUSA consultant to make the agreed changes to the legal text.</p> <p><b>ACTION: ELECTRALINK</b></p>
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UK Power Networks	Non-confidential	No, we agree with the changes made by the working group in conjunction with the DCUSA modelling consultant. In our view these changes now provide greater clarity to the reader by more clearly describing the Extended PCDM models.	
<b>Company</b>	<b>Confidential/Anonymous</b>	<b>10. The Working Group considers that DCUSA General Objective 1<sup>2</sup> and Charging Objectives 1 and 3 are better facilitated by DCP 212, do you agree with this opinion? Please provide supporting comments on this and any other DCUSA General or Charging Objective you feel is impacted by DCP 212.</b>	
			The Working Group reviewed and noted the comments within the responses. It is also noted that the majority of respondents agree with the Working Group's assertions regarding the DCUSA General and Charging Objectives.
Electricity North West	Non-confidential	We agree that that this CP better meets charging objective 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). In particular SLC 12.4 states that charges to be made must be consistent with the relevant Charging Methodology. As there is a number of inconsistencies between the DCUSA legal text and the PCDM at present this CP will remove this inconsistency and therefore better meet this objective.	

<sup>2</sup> The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks

		We believe this CP is neutral to DCUSA general objective 1 and Charging Objective 3 as there will be no impact on the PCDM and therefore no price impact as a result of this change	
Northern Powergrid	Non-confidential	Yes, Northern Powergrid agrees that both Charging Objectives 1 & 3 and General Objective 1 are better facilitated by this change proposal.	
SP Distribution / SP Manweb	Non-confidential	Yes, This proposal is to remove any differences between the legal text and Extended PDCM.	
UK Power Networks	Non-confidential	We would agree with the view of the working group that DCUSA general Objective 1 and Charging Objectives 1 and 3 are better facilitated as a result of this change proposal. This is a result of the methodologies being more closely aligned to the models utilised, and by including relevant wording for which they were previously silent on.	

<b>Company</b>	<b>Confidential / Anonymous</b>	<b>11. Do you agree with the implementation date of DCP 212?</b>	
			The Working Group note that all respondents agree with the implementation date of DCP 212.
Electricity North West	Non-confidential	Yes	

Northern Powergrid	Non-confidential	Yes, Northern Powergrid is supportive of the implementation date of this change proposal which would enable it to be used for the April 2015 charges.	
SP Distribution / SP Manweb	Non-confidential	Yes	
UK Power Networks	Non-confidential	As there will be no impact upon the charges set as a result of the legal text being revised to align to the discount models, we would agree with introducing this change asap once agreed.	

<b>Company</b>	<b>Confidential / Anonymous</b>	<b>12. Are there any alternative solutions or matters that should be considered by the Working Group for DCP 212?</b>	
Electricity North West	Non-confidential	As mentioned above, the working group should consider merging the LDNO text into one Schedule rather than having the same text in 3 Schedules	The Working Group reviewed and noted this comment, and again reiterates that this is outside the scope of this Working Group.
Northern Powergrid	Non-confidential	No, none that we are aware of at this time.	
SP Distribution / SP Manweb	Non-confidential	No	
UK Power Networks	Non-confidential	No we do not believe so.	

