

DCUSA DCP 198 & 212 Consultation responses – collated comments

Company	Confidential/ Anonymous	1. Do you agree with the intent of DCP 198?
Electricity North West	Non-confidential	Yes
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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?
Electricity North West	Non-confidential	Yes
Northern Powergrid on behalf of	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.

Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc		
SP Distribution / SP Manweb	Non-confidential	Yes
UK Power Networks	Non-confidential	Yes.

Company	Confidential/ Anonymous	3. Do you have any comments on the proposed legal text for DCP 198? Please provide supporting comments.
Electricity North West	Non-confidential	<p>The comments below relate to Schedule 16 and the equivalent 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> $\text{adjusted Total revenue to share} = \text{Total revenue to share} - [\text{EHV Revenue}] * [\text{Total revenue to share}] / [\text{Total allowed revenue}]$ <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</p>

		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.
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No, none at this time.
SP Distribution / SP Manweb	Non-confidential	<p>Having reviewed the legal text, the following observations have 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>
SP Distribution / SP Manweb	Non-confidential	<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 in accordance with the provision of paragraphs 25.4-25.11A. 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>
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 PCDM model.

Company	Confidential/ Anonymous	4. The Working Group considers that DCUSA General Objective 1¹ 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.
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>

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

Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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.

Company	Confidential/ Anonymous	5. Do you agree with the implementation date of DCP 198?
Electricity North West	Non-confidential	Yes
Northern Powergrid on behalf of 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.

(Northeast) Ltd and Northern Powergrid (Yorkshire) plc		
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.

Company	Confidential/ Anonymous	6. Are there any alternative solutions or matters that should be considered by the Working Group for DCP 198?
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
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	Non-confidential	No, none at this time.
Northern Powergrid on behalf of Northern Powergrid	Non-confidential	No, none that we are aware of at this time.

(Northeast) Ltd and Northern Powergrid (Yorkshire) plc		
SP Distribution / SP Manweb	Non-confidential	No
UK Power Networks	Non-confidential	No we do not believe so.

Company	Confidential/ Anonymous	7. Do you agree with the intent of DCP 212?
Electricity North West	Non-confidential	Yes
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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	Non-confidential	Yes.

Networks		
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Company	Confidential/ Anonymous	8. Do you agree with the principles of DCP 212?
Electricity North West	Non-confidential	Yes
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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.
Electricity North West	Non-confidential	See answer to Q3 above
Northern Powergrid on	Non-confidential	No, none at this time.

behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc		
SP Distribution / SP Manweb	Non-confidential	<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 in accordance with the provision of paragraphs 25.4-25.11A. 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>
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.
Company	Confidential/ Anonymous	10. The Working Group considers that DCUSA General Objective 1² 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.
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 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.</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 on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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 /	Non-confidential	Yes,

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

SP Manweb		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.

Company	Confidential/ Anonymous	11. Do you agree with the implementation date of DCP 212?
Electricity North West	Non-confidential	Yes
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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.

Company	Confidential/ Anonymous	12. Are there any alternative solutions or matters that should be considered by the Working Group for DCP 212?
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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
Northern Powergrid on behalf of Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc	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.