# DCP 185 EDCM/LRIC model r6396

1. Monday 6 January 2014
   1. This document describes an EDCM/LRIC tariff model developed for the DCP 185 working group. The reference version is model L201 published by the DCUSA Panel in 2013.

## Structural changes

* 1. The general structure of the model is unchanged.

## Additional input data

No additional input data are required.

## Modified input data

In table **935. Tariff data**, the column “Proportion exposed to indirect cost allocation” has been renamed “Proportion exposed to indirect cost allocation and fixed adder”.

The specification of the data to be entered into this column is unchanged: it should be 1 for all-the-way tariffs and 0.5 for LDNO and qualifying private network tariffs.

## Additional or modified outputs

There are no additional output data.

## Additional calculation tables

There are no additional calculation tables.

## Modified calculation tables

In table **4458. Marginal revenue effect of demand adder**, the formula has been changed so as to apply the proportion exposed to indirect cost allocation and fixed adder provided that the fixed adder amount is not negative. Previously that proportion was never applied.

In table **4462. Data for capacity-based allocation of indirect costs**, reference is made to the Proportion exposed to indirect cost allocation and fixed adder instead of the Proportion exposed to indirect cost allocation. This does not affect the calculations.

In table **4468. Capacity charge after applying fixed adder ex indirects p/kVA/day**, the formula has been changed so as to apply the proportion exposed to indirect cost allocation and fixed adder provided that the fixed adder amount is not negative. Previously that proportion was never applied.

In table **4601. Horizontal information**, the formula in the column “Demand scaling fixed adder (£/year)” has been changed so as to apply the proportion exposed to indirect cost allocation and fixed adder provided that the fixed adder amount is not negative. Previously that proportion was never applied.

## Other changes

There are no other changes.

## Basis of impact statement

The impact statement is purely illustrative and does not reflect any actual tariff. It uses DNO-level data disclosed as part of the MIG Issue 70 process, and the illustrative import tariffs summarised in the tables below.

Table 1 Location of illustrative tariffs

| 1. **Tariffs** | **DNO areas** | **Location** |
| --- | --- | --- |
| Tariff 1: Demand 0011 zero charge 1  Tariff 3: Demand 0011 zero charge 1 high reactive  Tariff 5: Demand 0011 zero charge 1 LDNO | Any DNO area | Nowhere |
| Tariff 2: Demand 0011 high charge 1  Tariff 4: Demand 0011 high charge 1 high reactive  Tariff 6: Demand 0011 high charge 1 LDNO | ENWL | D1\_kirlon\_11\_a |
| NPG Northeast | nessfield (1018) |
| NPG Yorkshire | hazelhead (1034) |
| UKPN EPN | 11185 |
| UKPN LPN | 7225 |
| UKPN SPN | 84460 |
| WPD SWales | BROF5 |
| WPD SWest | STBU5 |

Table 2 Common parameters to all illustrative tariffs

| **Maximum import capacity (kVA)** | **Customer category for demand scaling** | **Network use factor: EHV circuits** | **Network use factor: EHV/HV** |
| --- | --- | --- | --- |
| 15,000 | 0011 | 1.000 | 1.000 |

Table 3 Specific parameters for individual illustrative tariffs

| 1. **Tariff** | **Sole use asset MEAV (£)** | **Super red kW import divided by kVA capacity** | **Super red kVAr import divided by kVA capacity** | **Proportion exposed to indirect cost allocation** |
| --- | --- | --- | --- | --- |
| Tariff 1: Demand 0011 zero charge 1 | 50,000 | 0.500 |  | 1.000 |
| Tariff 2: Demand 0011 high charge 1 | 50,000 | 0.500 |  | 1.000 |
| Tariff 3: Demand 0011 zero charge 1 high reactive | 50,000 | 0.500 | 1.000 | 1.000 |
| Tariff 4: Demand 0011 high charge 1 high reactive | 50,000 | 0.500 | 1.000 | 1.000 |
| Tariff 5: Demand 0011 zero charge 1 LDNO | 25,000 | 0.500 |  | 0.500 |
| Tariff 6: Demand 0011 high charge 1 LDNO | 25,000 | 0.500 |  | 0.500 |

* 1. The impact statement takes account of the impact on DNO data of the illustrative tariffs above, but does not take full account of the impact of the change on the actual tariffs.