

## DCUSA Change Proposal Form

This form is issued in accordance with Clause 10.5 of the DCUSA.

Completed forms should be returned to [dcusa@electralink.co.uk](mailto:dcusa@electralink.co.uk) for assessment by the DCUSA Panel. Failure to complete all parts of the form may result in it being rejected by the DCUSA Panel.

PART A – Mandatory for all Change Proposals

PART B – Mandatory for Non Charging Methodologies Proposals

PART C – Mandatory for Charging Methodologies Proposals

PART D – Guidance Notes

### PART A - MANDATORY FOR ALL CHANGE PROPOSALS

Document Control	
CP Status	Standard
CP Number	DCP 183
Date of submission	12 Aug 2013
Attachments	None
Originator Details	
Company Name	Western Power Distribution
Originator Name	David Wornell
Category	DNO
Email Address	dwornell@westernpower.co.uk
Phone Number	01179332032
Change Proposal Details	
CP Title	To Convert the super red KWH to KVA when calculating the EDCM tariffs
Impacted parties	DG / DNO / IDNO / SUPPLIER / OTHER – (Consumers)
Impacted Clause(s)	Schedule 17, 18
Part 1 / Part 2 Matter	Part 1
Related Change Proposals	
Change Proposal Intent	
<p>The current EDCM process uses kVA (capacity) to determine the allocation of 20% scaling plus indirect costs, and notional assets at the level of connection of a customer and kWh (super red demand) to determine the allocation of 20% scaling plus indirect costs, and notional assets upstream of the level of connection of a customer.</p> <p>The intent of this change proposal is to use super red reactive power and apply this to the super red demand to turn kWh to kVA.</p>	
Business Justification and Market Benefits	
<p>The current methodology is inconsistent as kVA is applied at the level of connection and kWh is applied upstream.</p> <p>This change proposal will bring more consistency to the methodology.</p>	
Proposed Solution and Draft Legal Text	

[Proposed Solution;

Calculate the super red reactive power for each customer and apply this to the super red demand using the formula

Square root  $((\text{Super red demand})^2 + (\text{Super red reactive power})^2)$

To turn the kWh into kVA.

For generation dominated sites assume the reactive power is zero so that the kWh will equal the kVA.

Draft Legal Text;

Schedule 18

18.2 Demand scaling using the site-specific assets approach involves the following steps:

- Calculating adjusted site-specific shared asset values for each Connectee using network use factors that have been subjected to a cap and collar.
- Allocation of the direct operating cost and network rates elements in the EDCM demand revenue target to individual EDCM Connectees on the basis of adjusted site-specific assets and sole use assets. [a]
- Allocation of the indirect cost element in the EDCM demand revenue target to individual EDCM Connectees on the basis of their average super red capacity and 50 per cent of Maximum Import Capacity as a p/kVA/day charge. [b]
- Forecasting the notional recoveries from the application of LRIC charges to EDCM Connectee. [c]
- Allocation of 80 per cent of the difference between the EDCM demand revenue target and the sum of a, b and c above on the basis of adjusted site-specific assets.
- Allocation of 20 per cent of the difference between the EDCM demand revenue target and the sum of charges under a, b and c above on the basis of average super red capacity and 50 per cent of Maximum Import Capacity as a p/kVA/day fixed adder.

Schedule 17

18.2 Demand scaling using the site-specific assets approach involves the following steps:

- Calculating adjusted site-specific shared asset values for each Connectee using network use factors that have been subjected to a cap and collar.
- Allocation of the direct operating cost and network rates elements in the EDCM demand revenue target to individual EDCM Connectees on the basis of adjusted site-specific assets and sole use assets. [a]
- Allocation of the indirect cost element in the EDCM demand revenue target to individual EDCM Connectees on the basis of their average super red capacity and 50 per cent of Maximum Import Capacity as a p/kVA/day charge. [b]
- Forecasting the notional recoveries from the application of FCP charges to EDCM Connectee. [c]
- Allocation of 80 per cent of the difference between the EDCM demand revenue target and the sum of a, b and c above on the basis of adjusted site-specific assets.
- Allocation of 20 per cent of the difference between the EDCM demand revenue target and the sum of charges under a, b and c above on the basis of average super red capacity and 50 per cent of

Maximum Import Capacity as a p/kVA/day fixed adder.

**Proposed Implementation Date**

April 2015

**Impact on Other Codes**

Please tick the relevant boxes and provide any supporting information.

BSC	<input type="checkbox"/>
CUSC	<input type="checkbox"/>
Grid Code	<input type="checkbox"/>
MRA	<input type="checkbox"/>
Other	<input type="checkbox"/>
None	<input checked="" type="checkbox"/>

If other please specify

**Consideration of Wider Industry Impacts**

This change proposal is likely to have some degree of tariff price disturbance as the total EDCM charging revenue will change and the split between EDCM customers will change. These changes are expected to be small.

**Environmental Impact**

None identified

**Confidentiality**

[See Guidance Note 8]

**PART B – MANDATORY FOR NON CHARGING METHODOLOGIES CHANGE PROPOSALS**

**DCUSA Objectives**

General Objectives:

Please tick the relevant boxes. [See Guidance Note 9]

- ☒ 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- ☐ 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of

electricity

- ☒ 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences
- ☐ 4 The promotion of efficiency in the implementation and administration of this Agreement
- ☐ 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

#### **Rationale for better facilitation of the DCUSA Objectives identified above**

The new process addresses an inconsistency within the methodology.

### **PART C – MANDATORY FOR CHARGING METHODOLOGIES CHANGE PROPOSALS**

#### **DCUSA Charging Objectives**

Please tick the relevant boxes. [See Guidance Note 11]

##### Charging Objectives:

- ☒ 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
- ☐ 2 that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
- ☒ 3 that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
- ☐ 4 that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
- ☐ 5 that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

##### General Objectives:

- ☒ 1 The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks
- ☐ 2 The facilitation of effective competition in the generation and supply of electricity and (so far as is

<p>consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity</p> <p><input checked="" type="checkbox"/> 3 The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences</p> <p><input type="checkbox"/> 4 The promotion of efficiency in the implementation and administration of this Agreement</p> <p><input type="checkbox"/> 5 Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.</p>
<p><b>Rationale for better facilitation of the DCUSA Objectives identified above</b></p> <p>[See Guidance Note 10]</p> <p><u>Charging Objectives</u>: The new process addresses an inconsistency within the methodology.</p> <p><u>General Objectives</u>: The new process addresses an inconsistency within the methodology.</p>
<p><b>Has this issue been discussed at any other industry forums? If so please specify and provide supporting documentation</b></p>

## PART D – GUIDANCE NOTES FOR COMPLETING THE FORM

Guidelines for Working Group Members and Working Group Terms of Reference are available on the DCUSA Website and provide more information about the progression of the Change Process. [www.dcusa.co.uk](http://www.dcusa.co.uk)

Ref	Data Field	Guidance
1	Attachments	Append any proposed legal text or supporting documentation in order to better support / explain the CP.
2	Part 1 / Part 2 Matter	A CP must be categorised as a Part 1 or Part 2 matter in accordance with Clause 10.4.7 of the DCUSA. All Part 1 matters require Authority Consent.
3	Related Change Proposals	Indicate if the CP is related to or impacts any CP already in the DCUSA or other industry change process.
4	Proposed Solution and Draft Legal Text	Outline the proposed solution for addressing the stated intent of the CP. The Change Proposal Intent will take precedence in the event of any inconsistency. A DCUSA Working Group may develop alternative solutions. The plain English description of the proposed solution should include the changes or additions to existing DCUSA Clauses (including Clause numbers).

		Insert proposed legal drafting (change marked against any existing DCUSA drafting).
<b>5</b>	<b>Proposed Implementation Date</b>	The Change can be implemented in February, June, and November of each year.
<b>6</b>	<b>Consideration of Wider Industry Impacts</b>	Indicate whether this Change Proposal will be impacted by or have an impact upon wider industry developments. If an impact is identified, explain why the benefit of the Change Proposal may outweigh the potential impact and indicate the likely duration of the Change.
<b>7</b>	<b>Environmental Impact</b>	Indicate whether it is likely that there would be a material impact on greenhouse gas emissions as a result of the proposed variation being made. Please see <a href="#">Ofgem Guidance</a> .
<b>8</b>	<b>Confidentiality</b>	Clearly indicate if any parts of this Change Proposal Form are to remain confidential to DCUSA Panel (and any subsequent DCUSA Working Group) and Ofgem
<b>9</b>	<b>DCUSA General Objectives</b>	Indicate which of the DCUSA Objectives will be better facilitated by the Change Proposal.
<b>10</b>	<b>Rationale for DCUSA Objectives</b>	Provide supporting reasons and information (including any initial analysis that supports your views) to demonstrate why the CP will better facilitate each of the DCUSA Objectives identified.
<b>11</b>	<b>DCUSA Charging Objectives</b>	Indicate which of the DCUSA Charging Objectives will be better facilitated by the Change Proposal. Please note that a CDCM or EDCM change may also facilitate the DCUSA General objectives.