

**DCUSA DCP 138 CHANGE DECLARATION**

**DCP 138 'Implementation of Alternative Network Use Factor (NUF) Calculation Method in EDCM'**

**VOTING END DATE: 7 SEPTEMBER 2015**

DCP 138 - 'IMPLEMENTATION OF ALTERNATIVE NETWORK USE FACTOR (NUF) CALCULATION METHOD IN EDCM'	WEIGHTED VOTING				
	DNO	IDNO	SUPPLIER	DISTRIBUTED GENERATOR	GAS SUPPLIER
<b>CHANGE SOLUTION</b>	Accept	n/a	Accept	n/a	n/a
<b>IMPLEMENTATION DATE</b>	Accept	n/a	Accept	n/a	n/a
<b>RECOMMENDATION</b>	<p><b>Change Solution – Accept.</b> For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the change solution was more than 50%.</p> <p><b>Implementation Date – Accept.</b> For the majority of the Party Categories that were eligible to vote, the sum of the Weighted Votes of the Groups in each Party Category which voted to accept the implementation date was more than 50%.</p>				
<b>PART ONE / PART TWO</b>	<b>Part One</b> – Authority Determination Required				

PARTY	SOLUTION (A / R)	IMPLEMENTATION DATE (A / R)	WHICH DCUSA OBJECTIVE(S) IS BETTER FACILITATED?	COMMENTS
<b>DNO PARTIES</b>				

Northern Powergrid (Northeast) Limited	Accept	Accept	<p><b>Charging Objective 1 -</b> The CP better meets Charging Objective 1 by allocating only the proportion of the asset modern equivalent asset value (MEAV) which is deemed to be used by a customer, to that specific EDCM customer, in the calculation of Network Use Factors (NUFs).</p> <p><b>Charging Objective 2 -</b> The CP better meets Charging Objective 2 to facilitate competition by allocating the costs associated with unused capacity on the network to all demand users of the network (EDCM and CDCM) and preventing the over allocation of underutilised assets to individual EDCM customers. This will mean that any prospective connectees will be only being allocated costs (through Network Use Factors) for actual capacity used with respect to network assets.</p> <p><b>Charging Objective 4 -</b> The CP better meets Charging Objective 4 by facilitating the industry requirement to be consistent with the principles of the network assessment.</p> <p><b>General Objective 1 -</b></p>	n/a
Northern Powergrid (Yorkshire) plc	Accept	Accept		

			<p>The CP better meets General Objective 1 by reflecting the utilisation of distribution assets more efficiently and fairly in the calculation of NUFs.</p> <p><b>General Objective 2 -</b>                  The CP better meets General Objective 2 to facilitate competition by allocating the costs associated with unused capacity on the network to all demand users of the network (EDCM and CDCM) and preventing the over allocation of underutilised assets to individual EDCM customers. This will mean that any prospective connectees will be only being allocated costs (through Network Use Factors) for actual capacity used with respect to network assets.</p> <p><b>General Objective 3 -</b>                  The CP better meets General Objective 3 by satisfying the licence obligation on DNOs to review the charging methodologies and where appropriate introduce changes that improve the methodology</p>	
SP Distribution plc	Accept	Accept	SPEN agrees with the working group assessment that this CP better meets Charging objectives 1, 3 & 4 plus general objectives 1, 2 & 3 for the	None.
SP Manweb plc	Accept	Accept		

			reasons given in the Change report.	
Electricity North West	Accept	Accept	<p>This DCP meets General Objectives 1, 2 and 3 and Charging Objectives 1, 3 and 4. This approach is more cost reflective due to the allocation of costs associated with unused capacity to all demand users rather than over-allocating costs to individual EDCM customers.</p>	<p>Overall, EDCM customers would have benefited from a 10% reduction in costs if this proposed change had been implemented for the 2015/16 tariffs, however, there are a small number of customers who would have incurred an increase in costs. These customers would have had an average increase of 4% in 2015/16.</p> <p>Due to DCP 178 'Notification Period for Change to Use of System Charges', which implemented a 15 month notice period for setting prices, in December 2015 DNOs must publish new prices for the tariff years commencing in both April 2016 and April 2017. It should be noted that, if DCP 138 is implemented in December 2015, as intended, then the NUFs for the tariff year commencing in April 2016 will be calculated on the <u>old</u> basis while those for the tariff year commencing in April 2017 will be calculated on the <u>new</u> basis. As a result, the prices for the two years would not be directly comparable even though they are being published together.</p>
Eastern Power Networks	Accept	Accept	We believe that this revised approach	n/a

London Power Networks	Accept	Accept	better facilitates Charging Objectives 1 to 4 and General Objectives 1 to 3.	
South Eastern Power Networks	Accept	Accept		
Southern Electric Power Distribution plc	Accept	Accept	We agree with the Working Group analysis in the Change Report that Charging Objectives 1, 3 and 4 and General Objectives 1, 2 and 3 are better facilitated.	n/a
Scottish Hydro Electric Power Distribution plc	Accept	Accept		
Western Power Distribution (East Midlands)	Accept	Accept	n/a	n/a
Western Power Distribution (West Midlands)	Accept	Accept		
Western Power Distribution (South Wales)	Accept	Accept		
Western Power Distribution (South West)	Accept	Accept		
<b>IDNO PARTIES</b>				
n/a				
<b>SUPPLIER PARTIES</b>				
EDF Energy	Accept	Accept	n/a	n/a
<b>DISTRIBUTED GENERATOR PARTIES</b>				
n/a				

<b>GAS SUPPLIER PARTIES</b>				
n/a				