

## **DCP 133 – CDCM Commentary**

### **SEPD**

- Base model revenues from scaling = £164,224,245
- Updated model revenues from scaling = £176,904,863
- Unit rates associated with HV Generation Intermittent and Non-Intermittent have increased significantly therefore the increasing the credit to customers. This appears to be primarily due to the update of 132kV and EHV asset costs in Table 1020.
- There are significant increases in the unit rates for LV Sub HH Metered and HV HH Metered (ranging from +17.3% to +71.4%) due to the update of the HV and HV/LV asset costs.
- The fixed charge has increased for all tariffs ranging from +8.7% to +20.8% (with the exception of HV Medium Non-Dom which has decreased by -24.5%) due to the update of the HV and HV/LV asset costs.
- Capacity charges have decreased significantly (between -32.5% and -52.3%) due to the update of the HV and HV/LV asset costs.
- Reactive power charges have increased by +18.4% and +21.5% for LV Sub HH Metered and HV HH Metered tariffs respectively. This is due primarily to the reduction of HV and HV/LV asset costs.

### **SHEPD**

- Base model revenues from scaling = £121,393,010  
Updated model revenues from scaling = £94,419,686  
The update of the EHV asset cost within Table 1020 (+238.4%) appears to be the key driver for the decrease in scaling revenue.
- The unit rates associated with generation tariffs have all increased significantly (ranging from +34.3% to +57.4%) therefore increasing the credit per mpan. We think this is a consequence of the increase to EHV & HV asset costs.
- The fixed charge has decreased fairly uniformly for all tariffs - as a result of the updates to EHV and HV asset costs.
- The capacity charge associated with LV HH Metered has decreased by -22.5% due to the increased asset costs for EHV and HV.
- Reactive power charges for generation tariffs have all increased (ranging from +28.6% to +41.0%) due to the significant increases in EHV and HV asset costs.

## **SSEPD DCP 133 – EDCM Commentary**

### **SEPD**

<b>Base Model</b>	<b>(£/year)</b>
Base Model Demand Revenue	£ 14,127,298
Base Model Generation Revenue	£ 600,473
Total Base Model Revenue	£ 14,727,772

<b>Updated Model</b>	<b>(£/year)</b>
Updated Model Demand Revenue	£ 18,368,468
Updated Model Generation Revenue	£ 639,343
Total Updated Model Revenue	£ 19,007,812

- Total Model Revenue has increased by £4,280,040 (129.06% from the Base Model). This consists of an increase of £ 4,241,170 (130.02% from the Base Model) in the Demand Revenue and an increase of £38,870 (106.47% from the Base Model) in the Generation Revenue.
- The average Demand Tariff has increased by £20,996 (145.8% from the Base Model).
- The average Generation Tariff has increased by £301 (105.4% from the Base Model).

#### **Breakdown of SEPD Charges:**

- The Import/Export Super Red Unit Charges remain unaltered.
- The Import Fixed Charge has increased by an average of 10.4% (equivalent to 151p/kVA/day), whilst the Export Fixed Charge has increased by an average of 10.2% (equivalent to 93p/kVA/day). The Import Fixed Charge for individual tariffs are quite varied (operating within the range of 7.1% and 50%), whilst the Export Fixed Charge has a narrower variance of increase which operates within the range of 10.1%-10.2%.
- The Import Capacity Charge has increased by an average of 49.9% (equivalent to 1p/kVA/day), with the charge variance operating within the range of -2.3% and 126.8%. The Export Capacity Charge remains unaltered.

## **SHEPD**

<b>Base Model</b>	<b>(£/year)</b>
Base Model Demand Revenue	£ 2,576,080
Base Model Generation Revenue	£ 1,750,502
Total Base Model Revenue	£ 4,326,582

<b>Updated Model</b>	<b>(£/year)</b>
Updated Model Demand Revenue	£ 4,169,806
Updated Model Generation Revenue	£ 1,387,616
Total Updated Model Revenue	£ 5,557,423

- Total Model Revenue has increased by £1,230,841 (28.45% from the Base Model). This consists of an increase of £1,593,726 (161.87% from the Base Model) in the Demand Revenue and a decrease of £362,886 (20.73% of the Base Model) in the Generation Revenue.
- The average Demand Tariff has increased by £8,258 (67.8% from the Base Model).
- The average Generation Tariff has decreased by -£2,950 (-16.8% from the Base Model).

### **Breakdown of SHEPD Charges:**

- The Import/Export Super Red Unit Charges remain unaltered.
- The Import Fixed Charge has decreased by an average of -22.9% (equivalent to -114p/kVA/day), whilst the Export Fixed Charge has decreased by an average of -22.9% (equivalent to -891p/kVA/day). The decrease variance in the Import Fixed Charge operates within the range of -23.7% and -21.4%, whereas the decrease in the Export Fixed Charge is less varied with only two variance rates of -23% and -22.9%.
- The Import Capacity charge has increased by an average of 90.9% (equivalent to 2p/kVA/day), with the charge variance operating within the range of -18.2% and 174.1%. The Export Capacity Charge remains unaltered.

### **Comparison between SEPD and SHEPD:**

- The Revenues in both the Models have increased by around the same proportion. When breaking down the Total Revenue into Demand and Generation, both Models see an increase in Demand Revenue, whereas the Generation Revenue in SHEPD decreases. This coincides with the CDCM Commentary, where the fixed charge has decreased because of updates to EHV and HV costs.
- The Demand Tariffs for both of the Models see a higher variance in prices than the Generation Tariffs.
- The Super Red Unit Charges for Import and Export remain unaltered within both Models.
- The average variance in the Import and Export Fixed Charges remain similar to each other within both Models. Each area also follows the pattern of the Import Fixed Charge rate having a larger range of variance than the Export Fixed Charge.
- The Capacity Charges for Import have increased within both Models, with both operating within a large range of variance. The Export Capacity Charges remain unaltered within both of the Models.