

DCP 126 Consultation - Appendix A: Draft Legal Text

Changes to Clause 35A

35A. PROVISION OF COST INFORMATION

35A.1 This Clause 35A shall only apply where the Company is a DNO Party.

35A.2 By the fifth Working Day of May, August, November and February in each year, the Company shall complete a copy of table 1 in Schedule 15 and send the completed table to the Secretariat.

35A.3 By the fifth Working Day of May, August, November and February in each year, the Company shall complete a copy of table 2 in Schedule 15 and send the completed table to the Secretariat.

35A.4 By the fifth Working Day of May, August, November and February in each year, the Company shall complete a copy of table 3 in Schedule 15 and send the completed table to the Secretariat.

35A.~~45~~ On each occasion that the Company sends a completed table to the Secretariat pursuant to Clause 35A.2, the Company shall also send an accompanying written commentary to assist in the understanding of the data presented within the table (including an explanation of the reasons behind any changes made to estimates since the last such table was prepared).

35A.~~56~~ The Secretariat shall, within three Working Days of receiving each table and commentary provided pursuant to this Clause 35A, publish such table and commentary on the Website.

35A.~~67~~ The Company shall ensure that, within 20 Working Days of sending a table 2 to the Secretariat in accordance with Clause 35A.3, a meeting is convened (which may be held by telephone conference) to which all Supplier Parties and IDNO Parties are invited. At such meeting, the Company shall provide an oral commentary to assist those attending to understand the data presented within the most recently submitted tables 1, ~~and~~ 2 and 3 (including an explanation of the reasons behind any changes made to estimates since the last such tables were prepared). The Company shall ensure that the Supplier Parties and the IDNO Parties attending the meeting are given the opportunity to ask questions

regarding the tables, and the Company shall use reasonable endeavours to provide a response to those questions.

Changes to Schedule 15

SCHEDULE 15 – COST INFORMATION TABLE

- 1.2 The estimates and illustrative tariffs made by the Company in completing the table set out in this Schedule shall be based on such information as is reasonably available to the Company at the time of such estimate (it being acknowledged that such estimates may be subject to revision from time to time).
- 1.3 The terms used in the second column of table 1 below are to have the meanings ascribed to them in the special conditions (CRCs) of the Company's Distribution Licence. The Company is to complete the subsequent columns with the corresponding value for such term and each Regulatory Year, as provided by the Company's Licence (or, where no such value is provided, with the Company's best estimate of such value on the basis of stated assumptions to be outlined in the final column of that table).
- 1.4 Words and expressions not otherwise defined in this Agreement or this Schedule shall have the meanings given to them in the special conditions (CRCs) of the Company's Distribution Licence.
- 1.5 The illustrative tariffs as shown in table 3 have been determined using the latest forecast revenue and an updated view of Transmission Exit Charges (if appropriate), as defined within table 1, all other inputs in order to calculate the illustrative tariffs remain unchanged.

1 TABLE 1

2.1 The table referred to in Clause 35A.2 is set out below:

Company Name:

Date:

Description	Licence Term							Assumptions
Regulatory Year		t-1	t	t+1	t+2	t+3	t+4	
Base Demand Before Inflation (A1)	PU - MGt							Assumption outlined
RPI Effective % (A2)	PIADt							Assumed indexation
Base Demand Revenue Forecast (A)	BRt							$A = A1 * A2$
Allowed Pass-Through Items Forecast (B)	PTt							$B = B1 + B2 + B3 + B4 + B5$
Pass-Through Business Rates (B1)	RBt							Assumption outlined

Pass-Through Licence Fees (B2)	Lft							Assumption outlined
Pass-Through Transmission Exit (B3)	TBt							Assumption outlined
Price Control Reopener (B4)	UNCt							Assumption outlined
Pass-Through Others (B5)	IEDt, HBt & MPTt							Assumption outlined
Correction Factor Forecast (C)	Kt							Carried forward from previous year (small variation for interest)
Incentive Revenue and Other Adjustments Forecast (D)								$D=D1+D2+D3+D4+D5+D6+D7$
Losses Incentive (D1)	Ilt							Assumption outlined
Low Carbon Network Fund (D2)	LCNt							Assumption outlined
Quality of Service (D3)	IQt							Assumption outlined
IFI (D4)	IFIt							Assumption outlined
Transmission Connection Points	ITt							Assumption outlined

Incentive (D5)								
Distributed Generation Incentive (D6)	IGt							Assumption outlined
Connections related adjustment (D7)	CGSRAt, CGSSPt & AUMt							Assumption outlined
Final Allowed Revenue Forecast [being (A) + (B) + (C) + (D)] (E)								
Final Collected Revenue Forecast (F)								
Forecast Over / (Under) Recovery [being (F) – (E)]								
Forecast overall percentage change to Allowed Revenue (G)								$G=(F_t/F_{t-1})-1$
EDCM Revenue (G1)								Assumption outlined
CDCM Revenue (G2)								Assumption outlined
Overall % change to Use of System Charges effective 1st April of								If H is different to G explanation required - may require additional

Regulatory Year to balance (H)								data e.g. volume assumptions
---------------------------------------	--	--	--	--	--	--	--	---------------------------------

3. TABLE 2

3.1 The table referred to in Clause 35A.3 is set out below:

Company Name:

Date:

Description									
Regulatory Year	Regulatory Year t			Regulatory Year t+1			Regulatory Year t+2		
£m	Low (P10)	Central	High (P90)	Low (P10)	Central	High (P90)	Low (P10)	Central	High (P90)
Under/over recovery									
Losses Incentive									
Low Carbon Network Fund									
Quality of Service									
Price Control Reopeners									
Significant others (please specify)									
Final Collected Revenue Forecast									

Commentary

1. All £ figures are in money of the day.
2. Information provided to the nearest £m.

Assumptions

It is assumed that there will be one set of price changes per year effective on 1st April

4. TABLE 3

4.1 The table referred to in Clause 35A.4 is set out below:

Company Name:

Date:

Illustrative Charging Year: t+1

PLEASE NOTE THAT THESE ARE ILLUSTRATIVE TARIFFS ONLY AND ARE NOT TO BE CONSIDERED TO REPRESENT THE INDICATIVE OR FINAL TARIFFS WHICH WILL BE APPLIED BY THIS COMPANY

	<u>PCs</u>	<u>Unit rate 1 p/kWh</u>	<u>Unit rate 2 p/kWh</u>	<u>Unit rate 3 p/kWh</u>	<u>Fixed charge p/MPAN/day</u>	<u>Capacity charge p/kVA/day</u>	<u>Reactive power charge p/kVArh</u>
<u>Domestic Unrestricted</u>							
<u>Domestic Two Rate</u>							
<u>Domestic Off Peak (related MPAN)</u>							
<u>Small Non Domestic Unrestricted</u>							
<u>Small Non Domestic Two Rate</u>							
<u>Small Non Domestic Off Peak (related MPAN)</u>							
<u>LV Medium Non-Domestic</u>							
<u>LV Sub Medium Non- Domestic</u>							
<u>HV Medium Non-Domestic</u>							
<u>LV HH Metered</u>							
<u>LV Sub HH Metered</u>							

<u>HV HH Metered</u>							
<u>HV Sub HH Metered</u>							
<u>NHH UMS</u>							
<u>LV UMS (Pseudo HH Metered)</u>							
<u>LV Generation NHH</u>							
<u>LV Sub Generation NHH</u>							
<u>LV Generation Intermittent</u>							
<u>LV Generation Non-Intermittent</u>							
<u>LV Sub Generation Intermittent</u>							
<u>LV Sub Generation Non-Intermittent</u>							
<u>HV Generation Intermittent</u>							
<u>HV Generation Non-Intermittent</u>							

Commentary

1. All illustrative tariffs as shown above are based solely on the latest forecast revenue and (where appropriate) the updated forecast Transmission Exit Charges as defined in table 1.