

DCUSA DCP 126 Consultation – Attachment D: EDCM and CDCM Inputs

The DCP 126 Working Group has reviewed each of the inputs to the Common Distribution Charging Methodology (CDCM) and EHV Distribution Charging Methodology (EDCM) and discussed whether there would be benefit in reviewing each on a quarterly basis. A list of the inputs, along with the Working Group's conclusions is provided below.

Table 1. Common Distribution Charging Methodology Inputs

Input Number and Description	Working Group Comments
1000. Company, charging year, data version	This input is standing data and is unlikely change.
1010. Financial and general assumptions	This input will not change within year and therefore the Working Group does not believe that there is merit in reviewing it on a quarterly basis.
1020. Gross asset cost by network level (£)	A Change Proposal (DCP 136 'Notice period for asset cost changes in the CDCM') had been raised seeking to introduce a 15 month notice period for any changes to the data in these tables. In light of this, the DCP 126 Working Group does not believe that there is merit in reviewing these inputs on a quarterly basis.
1022. LV service model asset cost (£)	
1023. HV service model asset cost (£)	
1017. Diversity allowance between top and bottom of network level	It is the view of the Working Group that these inputs rarely change and therefore there would be limited benefit in reviewing them on a quarterly basis. To reduce future volatility and to ensure that they are treated in the same manner as inputs 1020, 1022 and 1023 it is proposed that a CP be submitted seeking to introduce a 15 month minimum notice period for any changes to the data in these tables.
1018. Proportion of relevant load going through 132kV/HV direct transformation	
1019. Network model GSP peak demand (MW)	
1025. Matrix of applicability of LV service models to tariffs with fixed charges	
1026. Matrix of applicability of LV service models to unmetered tariffs	
1028. Matrix of applicability of HV service models to tariffs with fixed charges	
1092. Average kVAr by kVA, by network level	
1032. Loss adjustment factors (LAFs) to transmission	These values are recalculated annually for submission to ELEXON in September for use from 1 April the following year. In light of this, the Working Group does not believe that there is benefit in reviewing LAFs on a quarterly basis.
1037. Embedded network (LDNO) discounts	The Working Group noted that this input is unlikely to change significantly and therefore there would be little benefit in reviewing it quarterly.

1041. Load profile data for demand users	This input is smoothed in line with DCP 078 'Smoothing Load Characteristics and Peaking Probabilities in the CDCM' and therefore it is the view of the Working Group that there would be no benefit in reviewing it quarterly.
1053. Volume forecasts for the charging year	<p>The Working Group noted that variances in volume forecasts are one of the main drivers of volatility in the CDCM and one of the reasons why a mid-year price change might be considered.</p> <p>It was agreed that there would be limited merit in reviewing volume forecasts on a quarterly basis as the review would cover a period potentially up to 18 months in advance. Volume forecasts are closely linked to weather conditions, which would not be known so far in advance.</p>
1055. Transmission exit charges (£/year)	The Working Group agreed that should the data be available from National Grid, then this input could potentially be reviewed on a quarterly basis. However, it was noted that values would not be expected to change significantly and would not have a large impact on charges.
1059. Other expenditure	This input is based on RRP data and is submitted as part of the annual reporting pack, and is therefore only available annually.
1060. Customer contributions under current connection charging policy	The Distribution Charging Methodologies Forum (DCMF) Methodologies Issue Group (MIG) is reviewing this input and considering smoothing it over a three year period. The DCP 126 Working Group agreed that it would be unlikely to be beneficial reviewing the data quarterly in light of this.
1061. Average split of rate 1 units by distribution time band	These tables are already smoothed and therefore the Working Group does not believe that there would be benefit in reviewing them more frequently.
1062. Average split of rate 2 units by distribution time band	
1068. Typical annual hours by distribution time band	The Working Group does not believe that there would be benefit in reviewing this input more frequently.
1069. Peaking probabilities by network level	The Working Group agree that as peaking probabilities are based on a whole year's worth of data there would be no benefit to reviewing them more frequently.
1076. Target revenue	This data can be seen on a five year basis through the DCP 66A provision. The Working Group noted that the Allowed Revenue could potentially be reviewed on a quarterly basis.
1201. Current tariff information	The data in this table will only change if there is a price change.

Table 2. EHV Distribution Charging Methodology Inputs

Input Number and Description	Working Group Comments
1100. Company, charging year, data version	This input is standing data and is unlikely change.
1101. Applicability of EDCM	This input is standing data and is unlikely to change.
1105. Diversity allowance between level exit and GSP Group	These inputs are from the CDCM and will change only with a CDCM price change.
1112. DNO revenue, expenditure and load data	
1122. Forecast system simultaneous maximum load (kW) from CDCM users (from CDCM table 2506)	
1131. Assets in CDCM model (£) (from CDCM table 2705)	
1135. Loss adjustment factor to transmission for each network level (from CDCM table 2004)	
1182. CDCM end user tariffs	
1108. Factor for the allocation of capacity scaling	It is the view of the Working Group that these inputs rarely change and therefore there would be limited benefit in reviewing them on a quarterly basis.
1109. Proportion of residual to go into fixed adder	
1111. Miscellaneous parameters	
1133. Maximum network use factor	
1134. Minimum network use factor	
1114. Net forecast income from non-CDCM generation (£/year)	
1132. Override notional asset rate for 132kV/HV (£/kW)	
1168. Annual hours in super red	
1181. LDNO discounts	
1183. LDNO volume data	