

DCP 095 Legal Drafting

Schedule 16

Amend paragraphs 97 and 98 as follows:

97. For the purposes of price control disaggregation the network is split into ~~five~~~~four~~ levels: LV ~~services, LV mains~~, HV/LV, HV and EHV.
98. The determination of discount percentages involves the following steps:
- a) Allocation of price control revenue elements to network levels.
 - b) Determination of a percentage allocation of total revenue per unit to network levels.
 - c) Determination of the proportion of the LV ~~mains~~~~network~~ deemed to be used by LV-connected embedded networks.
 - d) Allocation of 100% of the LV services to LV-connected embedded networks (the “[LV services allocation]”).
 - e) Determination of the proportion of the HV network deemed to be provided by HV-connected embedded networks with HV end users.
 - f) Calculation of the discount percentage for each combination of boundary network level and end user network level.
 - g) Application of discount percentages to determine portfolio tariffs.

Amend the final sentence of paragraph 101 as follows¹:

... The direct cost percentage for LV mains is denoted “[LV mains direct proportion]” and the direct cost percentage for HV is denoted “[HV direct proportion]”.

Amend paragraph 105 as follows:

105. For each network level, the relevant net capital expenditure is calculated by adding up total condition based replacement (proactive and reactive replacement), combined in the case of LV

¹ Paragraph 101 is also subject to DCP094, which makes amendments to earlier sentences, but not the last sentence, of this paragraph.

services, LV mains, HV and EHV with connections spend minus customer contributions for connections at that voltage level, general reinforcement capital expenditure at that voltage level, and fault reinforcement capital expenditure at that voltage level.

Amend paragraphs 113 and 114 as follows:

113. The weighted average allocations are then rescaled by the estimated number of units flowing through each network level, and normalised so that they sum to 100 per cent. The result of this calculation is a set of percentages for each of the LV services, LV mains, HV/LV, HV and EHV network levels.

LV mains split

114. The DNO Party determines the proportion of the LV mainsnetwork which LV-connected embedded networks are deemed to use by:

- a) determining the total length of its LV mains used by LV-connected licensed embedded networks;
- b) dividing that total length by the number of end users on LV-connected licensed embedded networks; and
- c) dividing the result by the average length of LV mainsnetwork by LV end user on the DNO Party's own LV network.

115. The result of this calculation is denoted "[LV mains split]".

Amend paragraphs 118 to 123 as follows:

118. The discount percentages are determined as follows (where "[LV mains allocation]" is the percentage of total costs that are allocated to the LV mains network level).

119. For embedded networks with an LV boundary, the discount is equal to:

$$[LV: LV \text{ discount}] = [LV \text{ services allocation}] + ([LV \text{ mains allocation}] * (1 - [LV \text{ mains split}] * [LV \text{ mains direct proportion}])).$$

120. For embedded networks with an HV boundary, three percentage discount figures are used.

121. The percentage discount applicable to tariffs for LV network end users is:

$$[\text{HV: LV discount}] = [\text{LV services allocation}] + [\text{LV mains allocation}] + [\text{HV/LV allocation}] + [\text{HV allocation}] * (1 - [\text{HV split}] * [\text{HV direct proportion}]).$$

122. The percentage discount applicable to tariffs for LV substation end users is:

$$[\text{HV: LV Sub discount}] = ([\text{HV/LV allocation}] + [\text{HV allocation}] * (1 - [\text{HV split}] * [\text{HV direct proportion}])) / (1 - [\text{LV mains allocation}] - [\text{LV services allocation}]).$$

123. The percentage discount applicable to tariffs for HV end users is:

$$[\text{HV: HV discount}] = [\text{HV allocation}] * (1 - [\text{HV split}] * [\text{HV direct proportion}]) / (1 - [\text{LV services allocation}] - [\text{LV mains allocation}] - [\text{HV/LV allocation}]).$$

Additions to Glossary

LV mains: LV distributing mains where:

- a) the upper boundary is at the secondary side (LV) of a distributor transformer; and
- b) the lower boundary is the point of connection associated with the LV service.

LV services: the service line from the LV main to the DNO's protection device situated upon the customer's premises, including the joint and associated components connecting the service line to the distributing main.

Formatted: Indent: Left: 2.54 cm,
Hanging: 1.27 cm