

DCP 066 – Legal Drafting

Amendments to Clause 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 ~~each month of January, April, July and October in~~ each year, the Company shall complete a copy of ~~the~~ table 1 in Schedule 15 and send the completed table to the Secretariat. The Company may send the same table as the previous month, if there is no material change to the data provided.

35A.3 By the fifth Working Day of January, April, July and October 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 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.~~54~~ 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.~~65~~ The Company shall ensure that, within 20 Working Days of sending a table 2 to the Secretariat in accordance with ~~this~~ 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 (including an explanation of the reasons behind any changes made to estimates since the last such tables ~~was~~ere 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~~s~~, and the Company shall use reasonable endeavours to provide a response to those questions.

Amendments to Schedule 15 (Cost Information Table)**1 DEFINITIONS**

- 1.1 In this Schedule 15, except where the context otherwise requires, the following terms shall have the meanings set opposite them:

~~**Allowed Pass-Through Items Forecast**~~ means, at any time and in respect of a Relevant Year, the Company's reasonable estimate (at that time) of the final value for that Relevant Year of the term 'PTt' (as referred to in the calculation of Combined Allowed Distribution Network Revenue).

~~**Base Demand Revenue Forecast**~~ means, at any time and in respect of a Relevant Year, the Company's reasonable estimate (at that time) of the final value for that Relevant Year of the term 'BRt' (as referred to in the calculation of Combined Allowed Distribution Network Revenue).

~~**Combined Allowed Distribution Network Revenue**~~ has the meaning given to that term in special condition CRC2 of the Company's Distribution Licence.

~~**Correction Factor Forecast**~~ means, at any time and in respect of a Relevant Year, the Company's reasonable estimate (at that time) of the final value for that Relevant Year of the term 'Kt' (as referred to in the calculation of Combined Allowed Distribution Network Revenue).

CDCM Revenue means, at any time and in respect of a Regulatory Year, the Company's reasonable estimate (at that time) of the revenue to be recovered from tariffs calculated under the Charging Methodology set out in Schedule 16.

Demand Use of System Charges has the meaning given to that term in special condition CRC2 of the Company's Distribution Licence.

EDCM Revenue means, at any time and in respect of a Regulatory Year, the Company's reasonable estimate (at that time) of the revenue to be recovered from tariffs calculated under the Charging Methodology set out in Schedule 17 or 18 (as applicable to the Company).

~~**Incentive Revenue Forecast** means, at any time and in respect of a Relevant Year, the Company's reasonable estimate (at that time) of the final value for that Relevant Year of the sum of the terms 'IPt', 'LCNt', 'IGt' and 'CGSRAt' less the sum of the terms 'AUMt' and 'CGSSPt' (each as referred to in the calculation of Combined Allowed Distribution Network Revenue).~~

~~**Final Allowed Revenue Forecast** means, at any time and in respect of a Relevant Year, the Company's reasonable estimate (at that time) of the final Combined Allowed Distribution Network Revenue for that Relevant Year.~~

Final Collected Revenue Forecast means, at any time and in respect of a ~~Regulatory~~levant Year, the Company's reasonable estimate (at that time) of the final Regulated Combined Distribution Network Revenue for that ~~Relevant~~regulatory Year.

Generation Use of System Charges has the meaning given to that term in special condition CRC2 of the Company's Distribution Licence.

Regulated Combined Distribution Network has the meaning given to that term in special condition

Revenue CRC2 of the Company's Distribution Licence.

Relevantregulatory Year has the meaning given to that term in special condition CRC2 of the Company's Distribution Licence.

Relevantregulatory Year t means, in respect of any estimate, the then current Regulatory~~levant~~ Year at the time the estimate is made. ~~(Regulatory Year t-1 shall be the previous Regulatory Year, and Regulatory~~~~levant~~ **Year t+1** shall be the following Relevantregulatory Year and so on).

Use of System Charges means Demand Use Of System Charges and Generation Use Of System Charges.

1.2 The estimates made by the Company in completing the tables 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.

2 **TABLE 1**

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

Company Name:

Date:

Description	<u>Licence Term</u>	<u>Relevant Year</u> t	<u>Relevant Year</u> t+1	<u>Relevant Year</u> t+2	<u>Relevant Year</u> t+3	<u>Relevant Year</u> t+4		<u>Assumption</u>
<u>Regulatory Year</u>		<u>t-1</u>	<u>t</u>	<u>t+1</u>	<u>t+2</u>	<u>t+3</u>	<u>t+4</u>	
<u>Base Demand Before Inflation (A1)</u>	<u>PU - MG</u> t							<u>Assumption outlined</u>
<u>RPI Effective % (A2)</u>	<u>PIAD</u> t							<u>Assumed indexation</u>
Base Demand Revenue Forecast (A)	<u>BR</u> t							<u>A=A1*A2</u>
Allowed Pass-Through Items Forecast (B)	<u>PT</u> t							<u>B=B1+B2+B3+B4+</u> <u>B5</u>

<u>Pass-Through Business Rates (B1)</u>	<u>RBt</u>							<u>Assumption outlined</u>
<u>Pass-Through Licence Fees (B2)</u>	<u>LFt</u>							<u>Assumption outlined</u>
<u>Pass-Through Transmission Exit (B3)</u>	<u>TBt</u>							<u>Assumption outlined</u>
<u>Price Control Reopener (B4)</u>	<u>UNCt</u>							<u>Assumption outlined</u>
<u>Pass-Through Others (B5)</u>	<u>IEDt, HBt & MPTt</u>							<u>Assumption outlined</u>
<u>Incentive Payments and Adjustments</u> (being Incentive Revenue Forecast less Correction Factor Forecast) (C)	<u>Kt</u>							<u>Carried forward from previous year (small variation for interest)</u>
<u>Incentive Revenue and Other Adjustments</u>								<u>D=D1+D2+D3+D4+D5+D6+D7</u>

<u>Forecast (D)</u>								
<u>Losses Incentive (D1)</u>	<u>Ilt</u>							<u>Assumption outlined</u>
<u>Low Carbon Network Fund (D2)</u>	<u>LCNt</u>							<u>Assumption outlined</u>
<u>Quality of Service (D3)</u>	<u>IQt</u>							<u>Assumption outlined</u>
<u>IFI (D4)</u>	<u>IFIt</u>							<u>Assumption outlined</u>
<u>Transmission Connection Points Incentive (D5)</u>	<u>ITt</u>							<u>Assumption outlined</u>
<u>Distributed Generation Incentive (D6)</u>	<u>IGt</u>							<u>Assumption outlined</u>
<u>Connections related adjustment (D7)</u>	<u>CGSRA_t, CGSSP_t & AUM_t</u>							<u>Assumption outlined</u>
Final Allowed Revenue Forecast								
[being (A) + (B) + (C) <u>±</u>								

(D) (DE)								
Final Collected Revenue Forecast (FE)								
Forecast Over / (Under) Recovery [being (EF) – (DE)] (F)								
Forecast overall percentage change to <u>Allowed Revenue (G)</u> Use of System Charges to balance (F) (Assumption 4)								$G=(F_t/F_{t-1})-1$
<u>EDCM Revenue (G1)</u>								<u>Assumption outlined</u>
<u>CDCM Revenue (G2)</u>								<u>Assumption outlined</u>
<u>Overall % change to Use of System Charges effective 1st April of Regulatory Year to</u>								<u>If H is different to G explanation required - may require additional data e.g.</u>

[illegible]

3. TABLE 2

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

Company Name:

Date:

[illegible]

W&Co 9 November 2010

[illegible]