

## DCP 392 'Charging of Third Party DNO Works to Transmission Connection Users'

### COLLATED RFI 03 RESPONSES

Company	<p><b>Q1 - The Working Group is seeking clarification on how, where CAF has been applied and monies not yet recovered, this expenditure would be treated from a regulatory perspective.</b></p> <p><b>Would this expenditure be treated as part of the Load Related Expenditure and Reconciliation Process? If not, how is it recovered, or is there a need for Ofgem to consider the treatment of such expenditure?</b></p>
Western Power Distribution	<p>Our expectation would be to treat the expenditure in the same way as other reinforcement activity triggered by a distribution connection, capturing the DUOS funded element of the expenditure in addition to the customer funded element.</p> <p>However, this would be difficult to capture within the current reporting requirements as there is no market segment available within the RIGS for which we can associated expenditure towards transmission connected customers.</p>
Electricity North West	<p>As DCUSA covers connection to distribution networks only and this relates to transmission connected users, if approved then it would result in a new schedule, therefore, we feel that Ofgem should consider the treatment of the expenditure</p>
Northern Power Grid	<p>I have consulted my colleagues and we don't think this fits into any of the current LRE categories. The closest is "general reinforcement" but it's not really "general" because it's the specific result of a connection to the transmission system and I believe "general" is meant to be for the benefit of the customers connected to the distribution system. It's worth noting that Ofgem is currently proposing a different definition for LRE in ED2 which I understand is under review so a decision on whether it fits is subject to the final definition.</p> <p>Transmission Connection Point Charges (in the special conditions) are clearly where there is a connection between the distribution and transmission network, not a transmission connection causing an impact on the distribution network. Whether they can be included in LRE is a question for Ofgem.</p> <p>It may also be worth asking Ofgem to consider who's benefiting from this transaction? How does this fit into Ofgem's desire to move toward a 'holistic', whole system approach which enables whole system cost savings in alignment with more strategic development of the distribution network, economies of scale, better coordination/timing, use of non-build options, opportunities to optimise capacity utilisation between load and generation.</p>