

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

COLLATED RFI 02 RESPONSES

Company	Q1. A) How do Distributors calculate charges for a transmission connected Customer that has an impact on the distribution system? An example would be a transmission connection to a tertiary winding that trigger works on the distribution system.	Working Group Comments
ENWL	<p>We have only had one such situation and it did not trigger any works on the distribution system.</p> <p>The use of tertiary windings at transmission to make connections is relatively new and therefore not covered explicitly in regulations. We note that for connections at distribution, DNOs are required to include any transmission works required as part of its connection offer (SLC12.3 below) but do not believe the reciprocal arrangements are included in the transmission licence.</p> <p>12.3 Where the licensee makes an offer to make a connection under section 16(1) of the Act, it must in that offer make detailed provision in relation to:</p> <p><i>(a) any works required to connect the licensee's Distribution System to any other Distribution System or a Transmission System, and any consents needed for that purpose;</i></p>	
NPg	<p>DCUSA Schedule 22, Clauses 1.43 to 1.44A cover the obligations under CUSC and if NGET applies charges for these works the DNO will reflect those charges in its charge to the applicant for the connection to the distribution network. The original intent of these clauses was to highlight that there are circumstances where the DNO must notify NGET of a connection to the distribution network and any NGET charges are passed on to the applicant for that connection. There is not a reimbursement arrangement under DCUSA Schedule 22, Clauses 1.43 to 1.44A but the ECCR 2017 provides for reimbursement payments to be recovered from subsequent contributors and this includes transmission costs.</p>	
SSEN	<p>Where a transmission connecting customer triggers the requirement for reinforcement works on the distribution system, the cost of these works will be charged in full to the connecting customer.</p>	

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UKPN	Initially a chargeable feasibility study would be carried out to determine the extent of any works that would be necessary.	
WPD	<p>WPD will charge for all assessment and design work undertaken in order to ascertain the impact, if any, of the transmission connected Customer.</p> <p>If physical works are identified on the distribution system as a result of the transmission connected Customer requirements, the associated costs will be charged in full. We will issue a quotation to the transmission connected Customer outlining the costs and the terms and conditions for WPD to undertake the works.</p>	

Company	Q1. B) What methodology do you use to determine what costs should be charged?	Working Group Comments
ENWL	<p>The existing charging arrangements are all based on section 16 of the Electricity Act. This covers the situation where the connection in question is connecting to its distribution system.</p> <p>Duty to connect on request. <i>An electricity distributor is under a duty—</i> <i>a) to make a connection between a distribution system of his and any premises, when required to do so by—</i></p> <p>The scenario of a tertiary connection at transmission is therefore not covered by the existing rules and the CCCM does not apply.</p> <p>As such we therefore do not have a specific methodology, but we would expect that we would charge the costs in full as no mechanism for cost apportionment applies.</p>	

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NPg	Please refer to our answer to question 1a).	
SSEN	We calculate our reasonable costs for carrying out the works in line with obligations set out in CRC5C.	
UKPN	Where works are required these will be fully chargeable to the requesting customer.	
WPD	The full cost of WPDs works will be determined based on WPDs current pricing, inclusive of direct labour, direct material costs and an uplift to recover associated indirect costs.	

Company	Q1. C) Please provide justification for your charging arrangements, be that apportioning or charging in full.	Working Group Comments
ENWL	<p>The mechanism for cost apportionment only applies to connections to our network and therefore we would charge in full.</p> <p>Note an alternative approach would be for the application to be made by the ESO and charges levied to the ESO who could then decide how to allocate those costs.</p>	
NPg	Transmission costs are charged in full to the DNO applicant.	
SSEN	We do not have any facility within the current charging arrangements to apportion charges for works that are triggered by a transmission connecting customer. Under the current arrangements these costs are chargeable in full to the connecting customers.	
UKPN	This is to remain compliant with our published Charging Statement, which is a Distribution Licence 13 requirement.	

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WPD	The costs are fully rechargeable and no apportionment is given. This methodology is utilised as there is no direct connection made to WPDs distribution system. Apportionment is only attributable under the Common Connection Charging Methodology (CCCM) which describes the methodology under which customers will be charged for a connection to the distribution system belonging to WPD as a Licensed Distribution Network Operator (LDNO).	
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