

Issue Ref	Consultation Question	Party	Party Response	Action	Update
1	Do you agree with the Working Group to bill the Primary supplier based on gross metered data from the boundary settlement meter for shared metering arrangements in preference to each supplier based on the fully settled solutions suggested in the first consultation. Please provide your rationale in the response.	UK Power Networks	We have concerns regarding this approach, as we have historically received feedback from DCs that they are not able to provide such data, it would be worth obtaining appropriate and up to date feedback from both HH as well as NHH DCs to confirm that they are comfortable with this approach. This solution would require creating MPANs, that the appropriate DC would need to be aware of, including where the DC appointment changes, which would require further revision of the Legal Text. We believe that the DNO should be allowed to estimate HH data based upon the agreed MICs. All Settlement MPANs for both the boundary and inset customers would also need an LLFC which is assigned to a zero tariff to ensure no double charging existed.	Secretariat to explore this issue further with UKPN.	Ongoing  Concerns were raised from more than 1 Party that they would not be able to do this. No concern if comfortable that it works elsewhere.  Closed
2	Which metering data option to you prefer? Please provide your rationale, including any cost impacts.	SPEN	long response relating to the costs of each option. (see appendix)  in summary for those distributors using DURABILL – Option 1 – no IT , minimal operational cost option 2 - £400k IT developer costs plus distributor testing, implementation and reporting costs.  source data for Option 1 will change post MHHS SCR	Working Group noted the useful information provided and will extract relevant parts for the change report.	Ongoing  Happy to progress with Option 1 based on a majority decision.  Closed
		The Electricity Network Company Limited	We believe the first option, for the boundary or primary supplier to be provided with a non-settlement MPAN against which they will submit data to the distributor in respect of the gross	Preference for option 1	Ongoing  Closed

			<p>consumption at the boundary is the most viable. This is likely to be the least cost solution as we would need to make changes to our billing system to facilitate the solution under option 2. We are not, at this stage, able to quantify those costs but if the working group requires this assessment to determine the most cost reflective solution then we would be willing to provide it at a later stage.</p> <p>As we have indicated in our response to question 1, there is no licence obligation on IDNOs to offer MPAS in respect of metering points not connected to their distribution system. Therefore, it would for IDNOs to choose if they wanted to offer such service. Offering such service would be dependent on IDNOs being able to recover their costs.</p> <p>Notwithstanding the above, one approach would be to use a default LLFC for such metering points and to set the tariff to zero, or to such other charge to recover the additional costs for providing services to the licence exempt network</p>	<p>Note suggestion to provide costs for option 2</p> <p>Notes the points raised in regards to IDNOs and MPAS, specifically the lack of ability to recover their costs.</p>	
		UK Power Networks	<p>Of the two options proposed we support option 1 for how metering data is treated, this utilises existing arrangements and minimises total cost to industry, although any changes brought about by this change would need to be watched when any changes necessary for MHHS are taken forward. As stated in the consultation document option 2 would result to system changes and costs to Distributors which would not be required with option 1.</p>	<p>Preference for option 1</p> <p>Notes the approach set out by this respondent and will consider</p>	<p>Not looking to progress as an alternate solution.</p> <p>Closed</p>

			In the small number of Private Networks we have connected to our networks we utilise an approach where we apply the fixed and capacity charges to the boundary and the units split between the boundary and inset customers based upon where they have been consumed, although this isn't perfect and is not without issues it does allow a relatively effective approach which results in limited manual intervention.	further if other options aren't supported. This was the alternative option for DCP 158a raised by ENWL.	
3	Do you have any comments on the EDCM solution?	ENWL	Any solution that alters the overall charge to a PNO in comparison with an equivalent customer with a single meter is not acceptable. Furthermore, Solution A appears to create a difference in the structure of charges (and potentially the actual PNO customer bill) for fully settled metering arrangements between the CDCM and EDCM, which could lead to distortions in competition or changes in customer behaviour.	Noted – Secretariat to speak to ENWL for further details.	TBC  Phone Chris to resolve this issue. The WG has reached out on a number of occasions to offer an opportunity to provide further details regarding this concern.  Contacted on 13 <sup>th</sup> Sept, 28 Sept, and 21 Oct.
4	Do you have any comments on the rebate solution?	ESPN	We have some concerns on the rebate solution.	Working Group note the concern	Closed

			<p>Firstly, PNOs are not a party to DCUSA. Implementing a formal process for charging of UoS charges is more involved than network unavailability payments referred in the consultation – particularly as the chances of disputes for charging are likely to be higher and it is unclear whether PNOs would simply be treated as regular customers for the purpose of the DCUSA dispute process.</p> <p>Secondly, while we recognise that any under or over recovery can be corrected in subsequent years, we question whether there is a positive trade-off for the increased fluctuation to year-on-year charges compared to the tariff solution (Solution B).</p>	<p>around dispute process and has been mentioned in other responses</p> <p>The Working Group will consider a dispute process if this solution is the preferred choice.</p>	<p>Dispute process is no longer required as option A is not being progressed.</p>
		SP Energy Networks (SP Distribution & SP Manweb)	<p>Under solution A, PNOs would be able to claim a rebate from DNOs for the element of DUoS in respect of assets on their network. This applies to fully settled systems only.</p> <p>It is likely that DURABILL could be enhanced to calculate and produce the PNO credit. Costs for such a development would be in the region of £80,000 to £150,000 split between all DURABILL customers.</p> <p>As well as the new processes required to calculate the rebate some changes to existing standing screens such as the MPAN registration and Maintain a Site screen are likely to be required. Some of these changes are likely to also be required to support the calculation of boundary meter data for difference metering and shared systems as per the response to question 2. If both are progressed the total cost to</p>	<p>Question related to what the 'rate' would be and whether this would be cost reflective.</p> <p>It should be possible to calculate outside of DURABILL and this could be calculated by the PNO and invoiced to the DNO/IDNO but this may require verification.</p>	<p>PNOs would need to apply to claim a rebate but will be down to the DNO to make the calculation. PNOs need to be able to say upfront what they are expecting to receive.</p> <p>A standard template could be used,</p>

			<p>implement is likely to be slightly less than the sum of the two cost estimates given in response to question 2 and this question.</p> <p>SCS assumes that DNOs will require changes to their finance interface packages as it's likely that the PNO credit will need to be accounted for differently to DUoS bills. For DNOs who have a finance interface procedure in DURABILL, the costs to change would be in the region of £30,000 each.</p> <p><b>These costs are considerable for the DNOs to accommodate the rebate solution.</b> The rebate is likely to be small in value and volume of PNO. Could a rebate be calculated in a less complicated formula to make the creation of the rebate much easier for the DNO. Could the annual total kWh recorded at the boundary meter be applied to a rate to this to calculate an annual rebate, or a similar simple formula?</p>	<p>Question on how easy it would be to verify the invoiced rebate amount. Also, how to ensure all PNOs use consistent process.</p> <p>Could be facilitated within the LC14 statements and included in connection agreements.</p> <p>Question related to whether such a solution is out of scope of the changes being progressed under DCP328.</p> <p>There is no boundary meter where such a rebate solution is being suggested.</p>	<p>however where the data comes from is currently unknown.</p> <p>Concerns have been raised over the PNOs ability to have visibility of the assessment beforehand.</p> <p>Closed</p>
5	What are your thoughts on customers that export within the PNO Network, should there be a negative rebate?	ENWL	We believe that negative rebates may be problematic as DNOs might rely on PNOs to identify export sites embedded in PNO networks, however not having negative rebates creates distortions in competition.	The current solution will cover a majority of cases and the likelihood of negative rebate will be very small.	Not going to apply a negative rebate.

			Regarding customers that have export MPANs, having no negative rebate to PNOs for any export MPANs could result in a distortion to competition with generators that connect at the same voltage as the PNO. This is because the aggregate of credits to an LV generator on an HV PNO network and the rebate (ie zero) to that HV PNO network would be higher than the credit paid to a generator connected at HV.	The rationale for no negative rebate will be captured in the change report.	No need for a disputes process.  Closed
8	Do you have any comments on the tariff solution for fully settled metering installations	ENWL	Aggregate DUoS charges should be identical under all scenarios including no competition in supply or a single site/customer. We do not believe this would be achieved by the tariff solution for fully settled metering installations.  As part of the role of the private network owner, and to enable competition, we suggest PNOs could be asked to identify which customers are on their networks and industry processes could then be put in to place to create pseudo boundary meter data that could be used to bill an appointed supplier DUoS. The benefit of this solution is that it ensures that the DUoS charges to the DNO are the same under all metering arrangements.	Doesn't believe the tariff solution provides for identical Aggregate DUoS charges  Action: How would this work? Ask for clarity. How would an appointed Supplier be picked.	This is likely to be a costly solution and may not be easy to implement.  As above to ENWL's earlier comment.  Chased with ENWL
9	Which solution do you support and why? Solution A or Solution B.	N/A	Decision still to be made	Pre finalising issues on Solution A and B the consultation responses were Solution A – 2 Solution B 5 Not supportive – 2 No preference – 2	Happy to progress with Solution B based on a majority vote.  Closed. Rationale for

				No response – 1	choosing option B will be articulated within the Change Report.
10	Do you agree with the approach to consider complex site based on the definitions agreed in DCP359?	ENWL	Yes, this change proposal may interact with DCP 388. In addition, the solution will need to support the requirement to report a single site under P402 to enable TNUoS billing.  The Working Group should also consider that the site remains a single site for the purposes of the TCR.	Note the comment of TCR and the Working Group will respond within the Change Report.	Commentary to be added to Change Report,
		NPg	Yes - the definition of complex site agreed for DCP359 is the definition that has been approved and should be considered here. Potential future changes to the definition arising due to DCP388 should not (and cannot) be taken into account.	Supportive. Note the comment of DCP 388 and the Working Group will respond within the Change Report.	Commentary to be added to Change Report,
12	Are there any unintended consequences associated with either solution with consideration given to any impact on Independent Distribution Network Operators?	ESPN	We have not identified any direct unintended consequences on IDNOs at this time but are disappointed with the lack of clarity for certain aspects and would hope that they are addressed comprehensively before finalising this CP.  The impact assessment and workgroup do not seem to have undertaken an assessment on the impacts of the options on the LDNO tariffs. Given that these tariffs are provided by the PCDM which uses a fixed and static methodology of cost allocation, it would seem that there's a mismatch between the cost allocation used to provide the LDNO discount % and	Noted – Working Group will review the impact assessment.	<a href="#">Reviewed an impact assessment document at a high-level which has identified problems scenarios that do exist within this solution. Consideration needs to be given to what</a>

			<p>the calculation of the PNO rebate or tariff (which removes LV costs).</p> <p>Additionally, we would question whether the new methodology for UoS charges to PNOs does not restrict margins for IDNOs and allows IDNOs to competitively bid for private network sites i.e., IDNOs would earn the same margin as that of the upstream DNO on a notional equivalent. Therefore, we think there is still an element of competition law that should be considered by the workgroup and Panel in its assessment of this CP.</p> <p>Lastly, it is not clear how the charging mechanism would work in embedded networks, for example, where the network comprises of a DNO, an IDNO and a PN connected to the IDNO network as it would appear the DNO would charge/rebate the PN directly.</p>		<p>the overall assessment of this Change Proposal.</p> <p>Check the modelers summary document regarding IDNOs.</p>
		The Electricity Network Company Limited	<p>Yes, we have three main concerns in respect of both solutions which will have unintended consequences on IDNOs</p> <ol style="list-style-type: none"> <li>1. It is unclear from the legal text what tariff will be applied to an IDNO where an end customer is connected to the DNO via both an IDNO and private network. Taking the following scenario, a private network operator system serves a block of flats (all domestic). That private network operator connects to an IDNO's network at LV. The IDNO, in turn, connects to the DNO at LV. We take the current reading of the legal text to mean that the tariff which will be applied to the</li> </ol>	<p>1 and 2: Working Group to review tariffs to see if there are any impacts.</p> <p>3: Is there a need to align PDCM in some instances.</p>	<p>1 - Would apply to all the way tariff.</p> <p>2 - Examples of Q2 have been covered within the paper drafted by ENCL with options and processes to be adopted.</p>

	<p>IDNO, by the DNO, is the LDNO LV:Domestic Aggregated tariff. However, we think some consideration should be given by the working group about whether the tariff which should be applied would be the “LDNO LV: Licence Exempt System Tariffs – LV Connection LV Domestic Aggregated”. That is to say we wish the working group to consider the application of the LDNO tariff discount factors, as calculated under Schedule 29 to licence exempt tariff set such that the IDNO would be charged a tariff discounted from a different starting point (the LES tariff) that would normally apply if the IDNO owned the connection to the customer. This issue is particularly prevalent for solution B as the data will flow through industry systems and processes, but we also believe it should be considered for option A where the portfolio billing between DNOs and IDNOs will not be dependent on rebates being sought.</p> <p>2. Both solutions may lead to margin squeeze on LDNO networks which is likely to be worse if point 1 is not addressed. We are working under the assumption that the tariffs for fully settled sites (under both options) are likely to be applied to customers who are connected to licence exempt networks via IDNO or DNO out of area networks under Special Condition BA3 of the IDNO licence which demands equivalency of charges for Domestic Customers. (i.e. DNO will charge the LDNO and the LDNO will charge the supplier based on the LES tariff). This will reduce the margin available to the IDNO where it</p>	<p>4: Capture some examples of where this issue occurs.</p>	<p>3 – Changes to the outputs within the model will be needed.</p> <p>4 – Will add examples into the Change Report as an unintended consequence.</p>
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	<p>provides connections to licence exempt systems. Whilst we understand that this is an inevitable outcome of this change proposal (insofar as the IDNO is avoiding some of the costs associated with the provision of end connections) we do not believe that the current solution has adequately considered the implications on IDNO margins. We are unable to take a full assessment of impacts because we do not have full tariffs available but have undertaken a crude assessment from the data circulated by NPg. Using the estimates and averages for consumption which were contained in the summary circulated by NPg, in the above scenario where the LES connects to the IDNO at LV and the IDNO to the DNO at LV the rebate/margin available to the private network operator is £28.64 per customer whereas the margin available to the IDNO is £11.79 per customer. If the IDNO owned the whole network then the margin available to the IDNO would be £40.43 (i.e. the combination of LES and IDNO margins). Due to the way that the LES tariffs are calculated (the LES gets a big discount on the fixed charge and the unit rates are barely, if at all, reduced) where a customer reduces their consumption the margin available to the IDNO reduces but the margin available to the LES generally does not. Many private networks are contained within blocks of flats and it is a reasonable assumption to say that the consumption within a flat is markedly lower than the average domestic customer. If the</p>		
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	<p>consumption were to half for a customer on the above scenario then the margin available to the private network operator would still be £28.64 but the margin available to the IDNO would be £4.10. It is not for us to determine whether or not the tariffs calculated by this change proposal are compliant with competition law as we are not able to undertake the requisite AEC test. However, we would find it incredibly difficult to believe that the notional downstream DNO business could operate effectively and without cross subsidy on a margin of £4.10 given that many of the costs associated with the provision of MPAS, billing, industry systems, licence or code fees will still be borne by that notional downstream DNO business.</p> <p>3. The LES tariffs includes a discount network level at LV substation. This is not a network tier which is currently recognised within the PCDM and no discount percentages are calculated for this voltage tier. This may create distortions or perverse incentives for networks to be operated on a licence exempt basis where a greater discount is available to a LES than would be available to an LDNO for the same connection.</p> <p>4. DNOs only bill IDNOs use of system for conveying electricity to and from the DNO/IDNO boundary. IDNOs are responsible for billing suppliers a bundled use of system charge (a charge for the DNO system and a charge for the IDNO system); i.e. the IDNO is responsible for billing the supplier and collecting the upstream DUoS revenues on behalf of the DNO. To</p>		
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	offer such service to private network operators, may be discriminatory – and potentially an abuse. We do not see why private network operators should be unduly advantaged over IDNOs in respect of this.		
UKPN	<p>Solution A (Rebates) would as stated earlier, add significant complexity to the arrangements and in our view should not be progressed further.</p> <p>IDNOs face a lot of the costs which PNOs do not, such as MPRS and DUoS systems and the associated costs, any change brought forward which puts in place arrangements for Private Networks needs to make sure this is fully considered, to ensure that IDNO business models are not negatively impacted.</p>	Noted – Working Group to review impact assessment to determine whether this issue has been considered.	<p>On the overall assessment, we need to request the modeler to amend the model the HV issue (removing the HVLV from the outputs so it is in line with the IDNO tariffs) and produce An IDNO and LES comparison in the impact assessment.</p> <p>Once we understand what the final solution is, we will look at the modelling request and any questions</p>

					that need to be asked.
		WPD	There may be cases where the private network charge is less than the IDNO discount for a particular private network? If this is the case then a DNO connected to an IDNO connected to a private network could result in an IDNO who mirror the DNOs tariffs having to pay the PNO overall.	Noted – Working Group to review impact assessment to determine whether this issue has been considered.	
13	(Mandatory for DNO Party's only, optional for other DCUSA Parties): Are there any unintended consequences associated with DCP328 and licence obligations?	SSEG	<p>We note the proposer's concern that the proposed DCUSA changes are not currently underpinned by the distributors' licence obligations and may create a conflict. This is because the proposed solutions involve creating new tariffs which relate to customers behind the PNO boundary, whereas, under their SLCs 13A and 13B (relating to the CDCM and the EDCM), distributors' obligations extend to 'Designated Properties' only, which appears to not include customers behind the PNO boundary.</p> <p>We believe that this concern is addressed by EU regulations (Article 37 of the 2009/72 Third Energy Package, para 6., as adopted into UK law through the Brexit Withdrawal Act), which states that the regulatory authority shall be responsible for fixing or approving transmission and distribution tariffs or their methodologies. In the legal hierarchy, the EU regulation sits above the licence and therefore supersedes it, which, in our view, gives the regulator the powers to approve the proposed charging</p>	Secretariat to seek legal opinion on whether Article 37 of the 2009/72 Third Energy Package addresses the licence condition concerns raised in the consultation.	

			methodology changes even though they are not underpinned by the distributors' licence.		
14	Do you have any comments on the legal text?	ENWL	<p>We note there is a difference between the drafting of para 29.5A for Solution A and B as shown below, we suggest the Solution A text should read “or” rather than “and”.</p> <p>Solution A</p> <p>29.5A The following provisions shall apply in the case of an Entry Point or Exit Point on the Company’s Distribution System that is subject to a Difference Metering arrangement and a Shared Metering arrangement:</p> <p>Solution B</p> <p>29.5A Where an Entry Point or Exit Point on the Company’s Distribution System is subject to a Difference Metering arrangement or a Shared Metering arrangement</p>	Secretariat to update legal text	<p>Updated and issued for review.</p> <p>Closed</p>
		SSEG	Legal text for option B	Secretariat to update legal text	Ongoing

		<p>p.7, schedule 16, at the top of para 88 – the text still refers to both fully settled and shared metering. We believe the latter reference (to shared metering) should be deleted, as the solution set out at para 88 should only apply to fully settled metering.</p> <p>p.26, schedule 18, para 28.5 – ditto?</p> <p>We suggest all other legal text is also checked on this point.</p>	and general review of legal text	
	WPD	<p>The following statements in the legal text state that the capacity elements and reactive power elements will be allocated to the fixed charge based using an average kVA or kVArh. Why have the charging methodologies been altered in this way? Capacity charge elements (p/kVA/day) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the capacity charge by the average kVA per customer for an equivalent customer, determined from the DNO Party's volume forecast for the equivalent halfhourly metered tariff at that voltage. Reactive power charge elements (p/kVArh) for half-hourly site-specific settled customers connected to Licence Exempt Systems are allocated to the fixed charge (in p/day) by multiplying the reactive power charge by the average kVArh per customer for an equivalent</p>	Secretariat to review previous discussions regarding capacity and reactive charges to determine why decision was made to allocate to the fixed charge using an average KVA or KVArh.	Closed

			customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage, and dividing by the number of days in the charging year. As the capacity element is a large part of the charge it does mean that it is possible for a PNO customer with a high usage and small capacity (High load factor) to have to pay more as a private network than as an all the way customer.		
15	Do you believe that the DCUSA Charging Objectives are better facilitated by this CP? Please provide your rationale.	N/A		<a href="#">Secretariat to prepare a summary table in regard to charging objectives.</a>	Ongoing
16	If this change was approved, when should it be implemented? Please provide your rationale if different to April 2022	N/A	A decision on the implementation date is still required	<a href="#">What system changes will be required?</a>	Ongoing
17	Any other comments?	SSE Generation	a) We expect that elements of the solution may result in the disclosure of data not currently in the public domain. We would like greater clarity on this, as well as the opportunity to comment, to avoid that commercially sensitive information pertaining to specific private networks is published which could adversely affect competition. b) We note that with regard to a competition law concern raised in response to the first consultation, the Working Group concluded that for a DNO to be certain that it is compliant, it would need to undertake an AEC	Clarity to be added within the Change Report in regard to what data will be shared.  Expand on the current text regarding competition law	Commentary to added to the Change Report.

			test, and do so of its own accord, since it cannot be compelled to do so. The outcome of this test may help a DNO form its position on the proposals. We don't feel that the competition concern has been sufficiently well articulated, and we therefore find it difficult to comment. However, we would have serious concern if the approval of this change proposal created an increased risk of breached of competition law compared to the status quo. We are looking to Ofgem to determine whether this is the case.	concerns, including recommendation of AEC test.	
		The Electricity Network Company Limited	We believe that the assessment of this change would be more readily completed if a broader access to some final tariffs were available. We have attempted to undertake some work to highlight our concerns but we are aware that this work is incomplete and does not consider the broad range of eventualities for private network operation. We would welcome further transparency of the tariffs, if possible, ahead of the voting phase for this change proposal We are also concerned that the development of this change is hindered by the lack of an AEC test being undertaken. We note and accept the working group's comments in the consultation that no party can compel the DNO to undertake the AEC test but parties considering their votes on this change proposal are doing so with incomplete information about the consequences of the change. Any further work which can be done to alleviate these concerns will aid the development of	<a href="#">Working Group to review the impact assessments circulated by KB and RC on 24 August and provide feedback at next meeting, in relation to concerns articulated in ENCL response.</a>	Potential cost analysis for PNOs.

			<p>this change proposal and provide industry parties with the comfort that they need to be able to vote in favour of this change proposal. We disagree with the assertion in paragraph 3.2 of the consultation that “...the Distributor is obliged to provide Meter Point Administration Services to customers on the private network”. SLC 17.1 only places an obligation on licensed distributors to offer MPAS in respect of premises connected to its distribution system. SLC 17 places no obligation on distributors to offer MPAS on third party networks. Although SLC35 sets out an obligation to provide MPAS and Data transfer Services, the duty only applies to DNOs operating within their distribution services area. It does not apply to IDNOs or DNO networks which are outside their distribution services area. Either way, the provision of such services is subject to agreement – such agreement would be between the private network operator and the relevant DNO. Therefore, whilst a DNO may be obliged to offer MPAS services to a private network connected to an IDNO network, the IDNO is not.</p>		
18	KB to seek further views from Lee Wells around whether this approach fits within the vires of this Change.	ENWL	<p>KB email</p> <p>I took an action last time to discuss with Lee whether the development of a PCDM-like discount mechanism for LES tariffs is in scope of this change. The following is our position on this.</p>		

		<ul style="list-style-type: none"> <li>• DCP328 was raised to look at how use of system charges are applied to private networks when competition in supply is in place</li> <li>• The solutions for difference metering and shared metering use the boundary meters and so do not require any changes to the tariffs</li> <li>• The solution for fully settled metering requires a change to the tariffs which was introduced solely to attempt to remove the issue of applying multiple fixed charges, as explained in the following excerpt from the first consultation:</li> </ul> <p><b>Option 5 – Invoice all Suppliers based on new use of system charges which only include elements of charging which relate to voltage levels provided by the Distributor</b></p> <p>4.20. Under this approach, the Distributor would invoice UoS charges to both the boundary Supplier and the Supplier of embedded customers (under the difference metering approach) or the Suppliers of all embedded customers (under the full Settlement or shared metering approach), based on units received through Settlement, using new tariffs calculated for each Distribution network to private network boundary voltage based on the voltage levels which the Distributor provides. This could be carried out using the calculations in the</p>		
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		<p>Common Distribution Charging Methodology which are calculated on a voltage level basis prior to being aggregated to tariff level.</p> <p>4.21. Provided the breakdown of which tariff elements should and should not apply for a given end user (based on the Distribution network to private network boundary) treats LV services and LV mains distinctly, this solution would resolve the issue of multiple fixed charges as the fixed charge is recovered in respect of service assets which would always be owned by the PNO and so the Distributor would not be charging a fixed charge. For capacity charging, some means of capacity allocation may be required to split the agreed capacity at the Distribution network to private network boundary between the connected customers.</p> <p>This is not a discount in the same way that the IDNO discount is applied.</p> <ul style="list-style-type: none"> <li>• A PCDM like solution would apply an IDNO-like discount to all LES sites, not just those with competition in supply, which is not what this change was raised to do and not what the adjustment to the fixed charge was intended to do, therefore it feels like this would be out of scope of this change.</li> <li>• Is there another simpler solution we could use, such as cap/collar on the LES tariffs such that they can't be less than the IDNO tariffs (or are a "reasonable margin" higher)?</li> </ul>		
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		<p>TC Reply</p> <p>TC email</p> <p>In respect of blocks of flats and similar premises with fully settled metering but with some degree of private distribution network. The problem we are seeking to address is – is in my words – the DNO/IDNO charge the same DUoS charges for a fully settled customer connected via an licensed exempt network (LEN) as a direct DNO/IDNO connected customer. That is unfair. The LEN connected customer is paying the same DUoS charges as a DNO connected customer, but is also incurring costs from its LEN (through rent of capital improvements) to maintain the exempt distribution network. The DCP was raised to redress the unfair charges.</p> <p>The domestic DUoS charges are calculated on an average cost for <i>all</i> domestic (and similar for non-domestic) sized customers. The CDCM groups all the domestic customers together (incl. CT connected). So there is an inevitable swings/roundabouts on the actual size/type of customers. If the CDCM ever seeks to differentiate between large consuming and small consuming customers, or rural/urban, flats/houses, or anything else, then the CDCM will need to changes as it is inherently designed to ‘average’.</p>		
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		<p>As the group has found, the breaking down the bundled CDCM cost allocation is difficult. Which should not be a surprise due to the grouping of millions of customers and averaging the charges, which by its nature is going to result in some customer charges being a long way from the average – either too high or low.</p> <p>The original approach by the working group was simple – determine the costs in the CDCM that a LEN connected customer should not incur and then, either remove them from the Supplier charges, or rebate the LEN. Each approach has its pro/cons. Keeping it simple and adjusting the standing charge based on an average domestic customer, follows the fundamental averaging design of the CDCM. The principle of correcting the unfair charges is still required. <b><i>We seem to have got stuck for several years at this point.</i></b></p> <p>In terms of your question of cap/collar on LEN connections vs. IDNO charges is that not just another bodge? I agree that ideally we do not want to disturb the IDNO cost model by shifting the benefit towards an IDNO or a LEN <b><i>for new installations</i></b>. Any changes will not change the existing installations, which are already connected. Is the conclusion of this consideration that the CDCM is not fit for</p>		
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		<p>purpose? The PCDM (with which I am not familiar) is already a bodge bolted on to the CDCM to try and determine some of the costs more “accurately”, I gather some of the underlying figures have not been updated in years, which keeps emerging as a debating point.</p> <p>We need to bring this debate to a conclusion. There is not a perfect answer. The CDCM is a crude averaging tool, the proposal solution is a crude averaging remedy.</p> <p>I am an advocate of MHHS giving 30+mil sets of HH data which will allow future DUoS charges to be set on a more granular basis – whatever the future charging framework that may emerge from the Access and Forward looking SCR. At that time a more ‘refined’ solution may be possible, but I do not think we can wait indefinitely to resolve the existing unfair charges.</p> <p>The other aspect to note is the need to identify the LEN connected MPANs. We have repeatedly identified lack of knowledge of the number and location of LEN connections, despite an ESQCR obligation for DNO/IDNO to know what is connected to their networks. There is a change being raised</p>		
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		triggered by MHHS to identify the connection type in MPRS of - whole current, LV CT, HV CT, EHV CT. It would be possible to create a similar set of codes for LEN connected. This would help capture the information going forward.		
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