

Application to IDNO Connection Charging Methodologies

Under Licence Condition 13.1(b) all distributors are required to have in force a Connection Charging Methodology. Where the distributor is a Distribution Services Provider operating within their Distribution Services Area (for the purposes of this section, “DNO”) this must include the Common Connection Charging Methodology (“CCCM”) as set out in Schedule 22 of the DCUSA. Distributors who are not DNOs (for the purpose of this section, “IDNOs”) are not required to include the CCCM within their Connection Charging Methodologies.

IDNOs are still required to have in place a Connection Charging Methodology and this document is subject to approval from Ofgem. In practice this often means that IDNOs include the CCCM in whole or in large parts. Ofgem may require justification from IDNOs where their Connection Charging Methodologies differ from the CCCM before they approve changes to IDNO Connection Charging Methodologies. Where changes are made to the CCCM, the changes are often reflected in updates to IDNO Connection Charging Methodologies.

If a separate schedule is created to contain the provisions for charging for reinforcement triggered by a transmission connected customer and/or administering the policy for rebates, then there is a question as to whether the application of this schedule should extend to IDNOs. If it does not extend to IDNOs then it may be that it is adopted by IDNOs through separate, published documentation as large parts of the CCCM are applied. However, this is not guaranteed. Conversely, if the schedule does extend to apply to IDNOs then it will apply uniformly but it does not follow the convention of the CCCM.

QX – Should the legal text apply to all distributors (i.e. DNOs and IDNOs)? If not, what would be the alternative? (i.e., new Schedule?)