DIF 62 - ADDITIONAL CLARIFICATION FOR CORRECT APPLICATION OF THE LV SUB SITE SPECIFIC TARIFF'

COLLATED RFI RESPONSES WITH WORKING GROUP COMMENTS

Company	Confidential/ Anonymous	1. With respect to this issue, have you experienced queries from customers/Suppliers relating to the application of the LV sub site specific tariff regarding physical arrangements (i.e., LV cable ownership and boundaries)?	Working Group Comments
Western Power Distribution	Non-confidential	Yes, we have received queries from customers querying the application of LV sub site specific.	Noted
UK Power Networks	Non-confidential	We have had queries raised by parties mainly relating to where the commercial boundary is and what the customer is responsible for if anything goes wrong.	Noted
Electricity North West	Non-confidential	Yes.	Noted
Northern Powergrid	Non-confidential	We received a significant number of queries following the approval of DCP 174/276 which amended the definition of LV Sub and removed the condition that it could only be applied to new sites connecting after 1 April 2010. We have not had queries relating to the LV cable ownership or boundaries.	Noted
Energy Assets	Non-confidential	The majority of queries we receive are relating to the definition of "immediately adjacent" and ownership of the LV cables. Please refer to our answers to the questions below.	Noted
The Electricity Network Company Limited	Non-confidential	Yes, we have received queries of this nature in the past.	Noted

SSEN	Non-confidential	Yes we have had some Queries with respect to CDCM rules of locations about boundary's.	Noted
Working Group Conclusions: Many companies have received queries regarding this issue ranging from definition of "Immediate Adjacent" and ownership of the LV cables. Note that the tariff differences can be significant, including where the supply is to the HV sub.			

Company	**Confidential/ Anonymous**	**2. With respect to the wording "immediately adjacent", how does your organisation interpret and apply this (i.e., do you have a standard definition or is each site assessed individually and if so, how)?**	**Working Group Comments**
Western Power Distribution	Non-confidential	Each site is assessed individually but if we also take into account HV sub which uses the same definition we would count a room (or chamber) in the same building or an adjacent building provided it is within the substation compound.	Noted
UK Power Networks	Non-confidential	The UK Power Networks interpretation of immediately adjacent is where there is minimal use of the LV network. Typically we allow up to 10 metres of feeder circuit between the substation and meter point and any more than this puts the site out of scope.	Noted
Electricity North West	Non-confidential	We interpret the phrase "in a chamber immediately adjacent to the substation transformer chamber" to mean in a room or other defined space that is directly connected to the transformer room, e.g. through a doorway. This might extend to general non-delineated areas in the case of outside areas.	Noted

		There are a large variety of site layouts and so we do not consider it practical to apply a "standard definition" – each site is individually assessed by reference to the above interpretation of the DCUSA text.	
Northern Powergrid	Non-confidential	We take "immediately adjacent" to mean in the same room or directly on the other side of the wall (i.e. minimal LV network). This will be assessed individually based on where the CTs are located in relation to the substation.	Noted
Energy Assets	Non-confidential l	We regard 'immediately adjacent' as either abutting or physically attached to the substation. Sites with the metering CTs >1 meter away from the sub would be considered to have clear separation and would not qualify for the LV Sub Site Specific tariff. However, we are often challenged when the customer believes the 1m separation still qualifies as 'immediately adjacent' and results in further discussions. If the LV Sub Site Specific notes could include an definitive measurement, if it's possible, that would resolve the issue.	Noted
The Electricity Network Company Limited	Non-confidential	'Immediately adjacent' is interpreted by us as the customer's metering building being next to our substation and the 12c SWA wiring being a maximum of 10m from our termination to the customer's meter.	Noted
SSEN	Non-confidential	SSEN have no definition but look at a standard of between 3 and 10 meters.	Noted

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Working Group Conclusions:

There are a variety of different interpretations being applied in practice. Two responses indicated using 10 metres as a decision point for the LV cables and one response used 10 metres with respect to their metering cables. In terms of the physicality aspect two responses indicated in the same area (but not necessarily attached), whilst three responses confirmed the building needed to be attached.

Company	Confidential/ Anonymous	3. Are there any other issues experienced when dealing with customers/Suppliers regarding the application of the LV sub tariff?	Working Group Comments
Western Power Distribution	Non-confidential	None.	Noted
UK Power Networks	Non-confidential	No.	Noted
Electricity North West	Non-confidential	A high proportion of the queries we receive regarding the potential application of the LV Sub tariff are speculative in nature from agents of customers that do not have any understanding of the physical layout of the site. Typically, such queries do not include a site plan, photographs of the metering position or other relevant details. This situation results in resources being required to investigate site which are already correctly classified.	Noted

Northern Powergrid	Non-confidential	No. The queries we receive mostly relate to where a customer/supplier believes a site has been incorrectly allocated to LV Network rather than LV Sub.	Noted
Energy Assets	Non-confidential	To reiterate our answer to Q2 and Q5: We regard 'immediately adjacent' as either abutting or physically attached to the substation. Sites with the metering CTs >1meter away from the sub would be considered to have clear separation and would not qualify for the LV Sub Site Specific tariff. However, we are often challenged when the customer believes the 1m separation still qualifies as 'immediately adjacent' and results in further discussions. If the LV Sub Site Specific notes could include an definitive measurement, if it's possible, that would resolve the issue. To date, in the case of LV sub tariff and in line with standard industry practice, the LV cables would be owned by the customer. However, in the interests of safety, we may consider ownership on a project by project basis, and may apply 'time and materials' costs for any site work requested by the customer going forward.	Noted
The Electricity Network Company Limited	Non-confidential	Just to note that issues identified can require resources & time to resolve.	Noted
SSEN	Non-confidential	No	Noted

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COLLATED RFI RESPONSES WITH WORKING GROUP COMMENTS

Working Group Conclusions:

There were no other significant issues raised, however some responses indicated that responding to enquiries from TPIs (who may not fully understand tariff structures) can lead to unproductive effort by Distributors.

Company	Confidential/ Anonymous	4. Do you believe that the legal text within the DCUSA requires amendment to remove any ambiguity and ensure consistency of application of the LV sub site specific tariff? If so, please can you provide suggestions for amendments?	Working Group Comments
Western Power Distribution	Non-confidential	Yes it would be appropriate to amend to provide clarity of application.	Noted
UK Power Networks	Non-confidential	We have not been able to determine any changes to the legal text which does not introduce similar ambiguity.	Noted
Electricity North West	Non-confidential	We believe the current text is workable but would welcome any suggestions to improve the clarity of the definition. The variety of real-world situations, including those that have been in place for many years, means it is difficult to propose an amendment that would remove ambiguity, unless the LV Sub tariff was removed entirely, and non-domestic customer classification was purely driven by the voltage of connection (which could have adverse effects on the cost reflectivity of the methodology).	Noted
Northern Powergrid	Non-confidential	The legal text was amended as part of DCPs 174 and 276.	Noted

		DCP174 aimed to "clarify the definition of the LV Sub tariff and remove any ambiguity in relation to the application of this tariff." The amended legal text introduced the definition of 'at the substation' in note 3 and revised the note 5 text which details that the DNO party will investigate based on the evidence supplied, which suggests that it is expected that each site will be considered on a case by case basis: Note 3: LV Sub applies to customers connected to the DNO Party's network at a voltage of less than 1 kV at a substation with a primary voltage (the highest operating voltage present at the substation) of at least 1 kV and less than 22 kV, where the current transformer (CT) used for the customer's settlement metering is located at the substation. For these purposes, 'at the substation' means: a) an HV/LV substation with the metering CT in the same chamber as the substation transformer; or b) an HV/LV substation with the metering CT in a chamber immediately adjacent to the substation transformer chamber. Note 5: Notes 3 and 4 above for LV and HV substation tariffs will be applied if a customer or its supplier provides evidence demonstrating to the DNO Party's reasonable satisfaction, that the requirements of note 3 are met for new customers from 1 April 2010. To determine whether such evidence is sufficient, the DNO Party will investigate and reach a decision based on the evidence supplied and any additional information that is available to it. Administration charges (to cover reasonable costs) may apply if a technical	

		assessment or site visit is required. Where a DNO Party agrees that a customer should be moved to the LV substation tariff, the new tariff will be applied in the next calendar month following the DNO Party's decision. Where a customer is already registered on either an LV or HV substation tariff they will remain so. It was noted in the consultation responses to this CP that there could be some ambiguity over the term "immediately adjacent", and that "in a chamber immediately adjacent" perpetuates the issue where "a customer who connects his assets (LV cable) to the outgoing bars of the LV substation has to pay charges towards LV assets because his meters may be outside the Transformer chamber (for whatever reason)." In Ofgem's decision letter for this DCP, in response to the above comments they said "we suggest there may be merit in DCUSA parties considering whether there is a need for further refinements to the definition of the LVS tariff." The term "immediately adjacent" itself does not necessarily need to be defined, and is not defined where it is used elsewhere in the industry. However, adding clarity to what is meant by "in a chamber immediately adjacent" would remove any ambiguity.	
Energy Assets	Non-confidential	If the LV Sub Site Specific notes could include an actual measurement for 'immediately adjacent' or the terms 'attached' or 'abutting' and a reference to the customer owning the LV cables (unless agreed and negotiated otherwise), that would resolve the issue. However, I am not sure if it is possible to categorically state the above or whether a Distributor can apply	Noted

		their own interpretation and not be challenged in the future. If the wrong tariff is deemed to have been applied, it will have a significant and negative impact on the DUoS tariff charged.	
The Electricity Network Company Limited	Non-confidential	While word changes may be helpful, some 'drawing' examples would make interpretation clearer. Perhaps a diagram that shows a correct LV Sub connection and then one that doesn't fall into that category, for example.	Noted
SSEN	Non-confidential	Yes better wording of the immediate adjacent ruling would be a benefit	Noted
Working Group Conclusions: There is a wide range of different opinions as to whether defining "immediately adjacent" or any other additional terms would be of benefit in clarifying the interpretation and application of this tariff. Overall, there would appear to be an opportunity to consider some form of additional or amended legal text/ guidance/ drawings, however this would need further discussion via a Change Proposal Working Group.			

Company	**Confidential/ Anonymous**	**5. With respect to the ownership of the LV cables, as a distributor, do you or the customer own the LV cables or is there mix? In either circumstance does this alter your application of the LV sub site specific tariff?**	**Working Group Comments**
Western Power Distribution	Non-confidential	The customer owns the LV cables where LV sub site specific applies. If the customer required us to own the LV cables, as the distributor, we would require an alternate location for the point of supply.	Noted

UK Power Networks	Non-confidential	The rationale for the LV Sub tariff is that the customer does not use any DNO owned and maintained LV network assets. Consequently the commercial boundary should be at the secondary terminals on the HV/LV transformer. Customers are then responsible for the LV assets beyond the transformer. Metering CTs are used as a proxy for the ownership boundary and we determine that if these are placed further than 10 metres from the substation then the ownership boundary is not at the substation and the DNO is responsible for the LV network assets.	Noted
Electricity North West	Non-confidential	LV Sub tariff is defined in DCUSA as having the CT and VT metering equipment on or next to the DNO substation. The convention is outgoing LV cables beyond the meter belong to the customer for most installations.	Noted
Northern Powergrid	Non-confidential	There can be a mix of ownership of the LV cables after the CTs but most of the time the CTs will be at the exit/entry point of the distribution system. This does not impact the application of the LV Sub site specific tariff as this depends only on the location of the CTs and not who owns any LV cables on anything after that point.	Noted
Energy Assets	Non-confidential	To date, in the case of LV sub tariff and in line with standard industry practice, the LV cables would be owned by the customer. However, in the interests of safety, we may consider ownership on a project by project basis, and may apply 'time and materials' costs for any site work requested by the customer going forward.	Noted
The Electricity Network	Non-confidential	We would typically assume that the responsibility sits with the customer here as the 12c SWA cable is feeding into their meter from our CT's.	Noted

Company Limited			
SSEN	Non-confidential	Any LV cables to the customers boundary point are owned by SSEN. At the boundary point. Customers CT chamber the equipment and LV cables are then owned by the customer.	Noted
The Working Group Conclusions: There are a variety of different interpretations, with some using the CT or metering point as a demarcation and others using the secondary terminals on the transformer (unless the CTs are further than 10 metres from the transformer terminals). Overall, there would appear to be an opportunity to consider some form of additional or amended legal text/ guidance/ drawings, however this would need further discussion via a Change Proposal Working Group.			