DCP328 – Legal Drafting

Use of System charging for private networks with competition in supply

Solution B

Charging the boundary supplier for Difference Metering installations and embedded suppliers for fully settled installations

Add new definitions in Clause 1

Difference Metering	means an arrangement defined in the BSC (BSCP514) for the purposes of Settlement, whereby the flows of electricity measured by metering equipment embedded within a Licence Exempt System are deducted from the flows of electricity measured by the metering equipment at the Entry Point or Exit Point by which electricity flows from or to that Licence Exempt System.
Licence Exempt System	means an electricity distribution system that is not owned or operated by a DNO/IDNO Party.
Non-Settlement MPAN	means a 13-digit reference number for a Metering Point at an Entry Point or Exit Point, in the same format as an MPAN, which reference number is only to be used for the purposes described in this Agreement.
Primary Supplier	has the meaning given to that term in the BSC
Shared Metering	Where meter readings recorded by Settlement metering equipment at the boundary between the Distribution System

and the Licence Exempt System are apportioned between Suppliers based on readings from non-Settlement meters on a Licence Exempt System in accordance with BSCP550.

Option 1 – Aggregated boundary data provided by the by the Supplier's Data Collector

Add a new Clause 29.5A

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:

29.5A.1 the Company shall procure that the User or Primary Supplier (where Difference Metering applies), or the User being the Primary Supplier (where Shared Metering applies), is provided with a Non-Settlement MPAN for the Metering Point at that Entry Point or Exit Point;

29.5A.2 in addition to the Metering Data to be provided in respect of that Entry Point or Exit Point under Clause 29.4, the User or the Primary Supplier, shall (without charge) provide (or ensure that its BSC Party Agent provides) the Company with the metering data the User would have been obliged to procure the provision of in respect of that Entry Point or Exit Point under the BSC if Difference Metering or Shared Metering did not apply, using the Data Transfer Catalogue D0036 or D0275 (as specified by the Company) and quoting the Non-Settlement MPAN (instead of the actual MPAN);

29.5A.3 the User or Primary Supplier shall ensure that the data referred to in Clause 29.5A.2 is provided to the Company in the same timescales as would have applied under the BSC if Difference Metering or Shared Metering did not apply; and

29.5A.4 the Supplier Party that is registered under the MRA in respect of an MPAN for metering equipment embedded within that Licence Exempt System agrees that the User or Primary Supplier may receive and aggregate the Metering Data relating to consumption by the Supplier Party's Customers connected to the Licence Exempt System in order to comply with the User's or Primary Supplier's obligations under Clause 29.5A.2 and for the purpose of matters provided for or envisaged by its Supply Licence.

Add a new Clause 29.5B

29.5B Notwithstanding Clause 15.3, it is agreed that Clause 29.5A.4 creates binding obligations between the User or Primary Supplier and the Supplier Party referred to in that Clause.

Option 2 - Aggregated boundary data calculated by the Distributor

Add a new Clause 29.5A

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, all Supplier Parties that are registered under the MRA in respect of the boundary MPAN for metering equipment on the Company's Distribution System or the embedded MPANs within that Licence Exempt System agree that the Company may receive and aggregate the Metering Data relating to consumption by the Supplier Party's Customers connected to the Licence Exempt System in order to comply with the Company's obligations under Paragraph 146A or paragraph 146B of Schedule 16 and Paragraph 28.3 or Paragraph 28.4 of both Schedule 17 and Schedule 18 and for the purpose of matters provided for or envisaged by its Distribution Licence.

Add a new Clause 29.5B

29.5B Notwithstanding Clause 15.3, it is agreed that Clause 29.5A creates binding obligations between on all the Supplier Party's referred to in that Clause.

SCHEDULE 16 – COMMON DISTRIBUTION CHARGING METHODOLOGY

Amend the following paragraphs

Introduction

1 This Schedule 16, version [TBC][1], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2022 and remain effective until superseded by a revised version.

1A. The CDCM is applicable to "Designated Properties", as defined in Standard Condition 13A (Common Distribution Charging Methodology) of the DNO Party's Distribution Licences and properties connected to Licence Exempt Systems at Low Voltage (LV), Low Voltage substation (LVS) and High Voltage (HV).

3. In order to comply with this methodology statement when setting distribution Use of System Charges the DNO Party will populate and publish the following CDCM model versions:

(a) for charges effective from 1 April 2020:

(i) where the Authority has given no direction under Clause 19.1B, CDCM model version 3 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, CDCM model version 3(332) as issued by the Panel in accordance with Clause 14.5.3;

(b) for charges effective from 1 April 2021:

(i) where the Authority has given no direction under Clause 19.1B, CDCM model version 6 as issued by the Panel in accordance with Clause 14.5.3; or

[1] To be completed on implementation of DCP328

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, CDCM model version [TBC][2] as issued by the Panel in accordance with Clause 14.5.3; or

(c) for charges effective from 1 April 2022 or later:

(i) where the Authority has given no direction under Clause 19.1B, CDCM model version 7 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, CDCM model version [TBC][3] as issued by the Panel in accordance with Clause 14.5.3.

8. Step 2 is the application of the cost allocation rules set out below. These rules are only for tariffs before revenue matching and tariffs in respect of Fully Settled customers connected to Licence Exempt Systems and do not apply to LDNO tariffs.

10A. Step 5 allocates pass-through of:

(a) the DNO Party's Supplier of Last Resort costs to all post revenue matching domestic tariffs with a fixed charge, including those for Licence Exempt Systems and LDNOs; and

(b) the DNO Party's Eligible Bad Debt costs to all post revenue matching metered demand tariffs, including those for Licence Exempt Systems and LDNOs.

68. For demand tariffs before revenue matching, tariffs for demand customers in respect of Fully Settled customers connected to Licence Exempt Systems and portfolio tariffs before revenue matching related to demand users, the contributions of each network level to the unit rate are calculated as follows:

[2] To be completed on implementation of this DCP328
[3] To be completed on implementation of this DCP 328.

[p/kWh from network model assets] = 100*[network level £/kW/year]*[user loss factor]/[network level loss factor]*[pseudo load coefficient]*(1 – [contribution proportion])/[days in charging year]/24

[p/kWh from operations] = 100*[transmission exit or other expenditure £/kW/year]*[user loss factor]/[network level loss factor]*[pseudo load coefficient]/[days in charging year]/24

71. For generation tariffs before revenue matching, tariffs in respect of Fully Settled generation users connected to Licence Exempt Systems and portfolio tariffs before revenue matching, no contribution to the unit rate is calculated in respect of the network level corresponding to circuits at the Entry Point, and a negative contribution to the unit rate (i.e. a credit) comes from each network level above the Entry Point. That contribution is calculated as follows:

[p/kWh from network model assets] = –100*[network level £/kW/year]*[user loss factor]/[network level loss factor]*(1 – [contribution proportion])/[days in year]/24

[p/kWh from operations] = –100*[transmission exit or other expenditure £/kW/year]*[user loss factor]/[network level loss factor]/[days in year]/24

…….

Add new paragraphs 88A through to 88D

Derivation of tariffs before revenue matching and tariffs to be used for the calculation of rebates in respect of Fully Settled and Shared Metering customers connected to Licence Exempt Systems

88A Tariffs before revenue matching are determined by summating across all voltages:

- the contribution to each unit rate at each voltage calculated in accordance with paragraph 77 and 86 as applicable;
- the contribution to fixed charges at each voltage calculated in accordance with paragraph 85;
- the contribution to capacity charges at each voltage calculated in accordance with paragraph 81; and

- the contribution to reactive power charges at each voltage calculated in accordance with paragraph 87.

88B Tariffs for the calculation of rebates for customers connected to Licence Exempt Systems are determined in accordance with paragraph 88A, save that lower voltage elements are excluded as follows:

- where the Licence Exempt System is connected to the LV network, the costs associated with the LV customer level are excluded;
- where the Licence Exempt System is connected at LV substation, the costs associated with the LV customer and LV network levels are excluded; and
- where the Licence Exempt System is connected at HV network, the costs associated with the LV customer, LV network and LV substation levels are excluded.

88C 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 half-hourly metered tariff at that voltage.

88D 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 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.

89. The DNO Party uses its volume forecasts, with volumes for Licence Exempt Systems reduced by the proportion derived in 92a below, to estimate the revenues that would be raised by applying the tariff before revenue matching components derived from step 2, excluding any revenues treated as excluded revenue under the price control conditions.

……

Amend the following paragraphs

92. Revenue matching is achieved by:

(a) apportioning the total value of the residual surplus or residual shortfall to be returned or recovered respectively, via a fixed charge to (i) the domestic LV-connected charging band and (ii) the specific charging bands set out in paragraph 2.4 of Schedule 32 on the basis of (A) the aggregated consumption of all Final Demand Sites in that band (including the consumption of any Related MPANs and scaled consumption of any Fully Settled –MPANs associated with Licence Exempt Systems where applicable), relative to (B) the combined total net consumption for all Final Demand Sites (including the consumption of any Related MPANs and scaled consumption of any Fully Settled MPANs associated with Licence Exempt Systems where applicable) plus the total consumption for unmetered customers. The consumption for Fully Settled customers connected to Licence Exempt Systems will be scaled by multiplying by the ratio of the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88B-88D, to the revenue before matching for a customer connected to a Licence Exempt System calculated using the tariffs in paragraph 88A.

$$[Consumption\ for\ Licence\ Exempt\ Systems\ customers\ for\ revenue\ scaling] = [Consumption\ for\ Licence\ Exempt\ Systems\ customers] \times \frac{[Revenue\ before\ matching\ from\ License\ Exempt\ System\ tariffs]}{[Revenue\ before\ matching\ from\ all-the-way\ tariffs]}$$

~~(a)~~(b) The allocated proportion of the residual value to each charging band will then be divided equally among all Final Demand Sites within that charging band, resulting in the same level of residual fixed charge.

(c) Residual charges for each Final Demand Site will be applied as a fixed charge adder (p/Final Demand Site/day) calculated as follows: the revenue surplus or shortfall (in pence) to be recovered for the band that the Final Demand Site is

in; divided by the total number of Final Demand Sites in that band; divided by days in the charging year.

92D. Revenue matching for unmetered customers is achieved by apportioning the total value of the residual surplus or residual shortfall to be returned or recovered respectively, on the basis of total consumption for unmetered customers, relative to the combined total net consumption for all Final Demand Sites (including the consumption of any Related MPANs and scaled consumption of any Fully Settled MPANs associated with Licence Exempt Systems where applicable) plus the total consumption for unmetered customers (with any consumption for MPANs associated with Licence Exempt Systems scaled as in 92(a) above where applicable). The residual value for unmetered customers is then recovered by applying a unit charge adder (p/kWh) calculated as follows: the residual surplus or shortfall (in pence) to be recovered; divided by the total volume of all unmetered customers (in kWh).

100. Step 5 involves calculations based on the level of Supplier of Last Resort pass-through costs to be recovered in the charging year. Such costs are allocated to all domestic tariffs with a fixed charge (including Licence Exempt System and LDNO tariffs) on an equivalent basis (i.e. without discounting LDNO tariffs). Step 5 also involves calculations based on the level of Eligible Bad Debt pass-through costs to be recovered in the charging year. Such costs are allocated to all demand tariffs (including Licence Exempt System and LDNO tariffs) on an equivalent basis (i.e. without discounting LDNO tariffs).

101. Supplier of Last Resort pass-through costs are allocated by applying a fixed charge adder (p/day) to the tariffs for following customer groups (as further described in paragraph 102):

- Domestic Aggregated;
- Licence Exempt System LV: Domestic Aggregated;
- Licence Exempt System HV/LV: Domestic Aggregated;
- Licence Exempt System HV: Domestic Aggregated;

- Licence Exempt System EHV/HV: Domestic Aggregated;
- Licence Exempt System 132kV/HV: Domestic Aggregated;
- Licence Exempt System EHV: Domestic Aggregated;
- Licence Exempt System 132kV/EHV: Domestic Aggregated;
- Licence Exempt System 132kV: Domestic Aggregated;
- Licence Exempt System 0000: Domestic Aggregated;
- LDNO LV: Domestic Aggregated;
- LDNO HV: Domestic Aggregated;
- LDNO HVplus: Domestic Aggregated (which is calculated in the EDCM);
- LDNO EHV: Domestic Aggregated (which is calculated in the EDCM);
- LDNO 132kV/EHV: Domestic Aggregated (which is calculated in the EDCM);
- LDNO 132kV: Domestic Aggregated (which is calculated in the EDCM);
- LDNO 0000: Domestic Aggregated (which is calculated in the EDCM).

127. This part details the common tariff structure for tariffs before revenue matching and associated tariff elements for demand and generation, for unmetered supplies, Fully Settled customers connected to Licence Exempt Systems and for charges to LDNOs.

……

Amend the following paragraph

136. Structure of the HH demand charges:

(a) Fixed charge p/MPAN/day;

(b) Unit rate charge p/kWh;

(c) Capacity charge p/kVA/day (with the exception of tariffs for customers connected to Licence Exempt Systems);

(d) Exceeded capacity charge p/kVA/day (with the exception of tariffs for customers connected to Licence Exempt Systems); and

(e) Reactive power charge p/kVArh (with the exception of tariffs for customers connected to Licence Exempt Systems).

…….

Add in a new title and paragraph 146A and 146B

Tariff structures for Licence Exempt Systems using Difference Metering or Shared Metering

146A The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported at the boundary between the network and the Licence Exempt System.

Or

146A The tariffs in respect of Licence Exempt Systems using Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported from all of the Metering Points that form part of the Difference Metering arrangement.

146B The tariffs in respect of Licence Exempt Systems using a Shared Metering arrangement shall be charged to the Primary Supplier based on the units imported or exported from all of the Metering Points that form part of the Shared Metering arrangement.

…….

Add a new paragraph 146C and tables 146C.1, 146C.2 and 146C.3

146C The tariffs charged in respect of Licensed Exempt Systems using Fully Settled arrangements shall be charged to each Supplier within the Licence Exempt System based on the settlements data received in respect of the settlements meter at each Metering Point within the Licence Exempt System, and is dependent on the voltage of the Point of Connection of the Licence Exempt System to the Distribution System, being either LV network (see Table 146B.1), LV substation (see Table 146B.2) or HV (see Table 146B.3).

Table 146C.1: Licence Exempt System Tariffs - LV connection*

Tariff Name	Unit rate 1 p/kWh	Unit rate 2 p/kWh	Unit rate 3 p/kWh	Fixed charge p/MPAN /day	Capacity charge p/kVA/ day	Exceeded Capacity charge p/kVA/day	Reactive power charge p/kVArh
LV Domestic Aggregated	Red	Amber	Green	✓			
Domestic Aggregated (Related MPAN)	Red	Amber	Green				
Non-Domestic Aggregated	Red	Amber	Green	✓			
Non-Domestic Aggregated (Related MPAN)	Red	Amber	Green				
LV Site Specific	Red	Amber	Green	✓			
Unmetered Supplies**	Black	Yellow	Green				

LV Generation Aggregated	Red	Amber	Green				
LV Generation Site Specific	Red	Amber	Green				

* Where the boundary between the Licence Exempt System and the Distribution System is at LV but not at an HV/LV substation.

Table 146C.2 Licence Exempt System Tariffs - LV Substation connection*

Tariff Name	Unit rate 1 p/kWh	Unit rate 2 p/kWh	Unit rate 3 p/kWh	Fixed charge p/MPAN /day	Capacity charge p/kVA/ day	Exceeded Capacity charge p/kVA/day	Reactive power charge p/kVArh
LV Domestic Aggregated	Red	Amber	Green	✓			
Domestic Aggregated (Related MPAN)	Red	Amber	Green				
Non-Domestic Aggregated	Red	Amber	Green	✓			
Non-Domestic Aggregated (Related MPAN)	Red	Amber	Green				
LV Site Specific	Red	Amber	Green	✓			
Unmetered Supplies**	Black	Yellow	Green				

LV Generation Aggregated	Red	Amber	Green				
LV Generation Site Specific	Red	Amber	Green				

* Where the boundary between the Licence Exempt System and the Distribution System is at an HV/LV substation.

Table 146C.3: Licence Exempt System Tariffs - HV connection*

Tariff Name	Unit rate 1 p/kWh	Unit rate 2 p/kWh	Unit rate 3 p/kWh	Fixed charge p/MPAN/day	Capacity charge p/kVA/day	Exceeded Capacity charge p/kVA/day	Reactive power charge p/kVArh
LV Domestic Aggregated	Red	Amber	Green	✓			
LV Domestic Aggregated (Related MPAN)	Red	Amber	Green				
LV Non-Domestic Aggregated	Red	Amber	Green	✓			
LV Non-Domestic Aggregated (Related MPAN)	Red	Amber	Green				
LV Site Specific	Red	Amber	Green	✓			
Unmetered Supplies	Black	Yellow	Green				
LV Sub Site Specific	Red	Amber	Green	✓			

HV Site Specific	Red	Amber	Green	✓			
LV Generation Aggregated	Red	Amber	Green	✓			
LV Sub Generation Aggregated	Red	Amber	Green	✓			
LV Generation Site Specific	Red	Amber	Green	✓			
LV Sub Generation Site Specific	Red	Amber	Green	✓			
HV Generation Site Specific	Red	Amber	Green	✓			

* Where the boundary between the Licence Exempt System and the Distribution System is at HV.

……..

Include new definitions to the Glossary of Terms used in this Schedule 16

Fully Settled	Where every customer on a Licence Exempt System is to have or has a Supplier, its own MPAN and metering equipment and there is no metering equipment at the boundary between the Distribution System and the Licence Exempt System. The BSC refers to these circumstances as an 'Associated Distribution System'.

SCHEDULE 17 – EHV CHARGING METHODOLOGY (FCP MODEL)

1. INTRODUCTION

This Schedule 17, version [TBC][4], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2022 and remain effective until superseded by a revised version.

Scottish Hydro Electric Power Distribution plc;

Southern Electric Power Distribution plc;

SP Distribution Limited;

SP Manweb plc;

Western Power Distribution (East Midlands) plc; and

Western Power Distribution (West Midlands) plc.

(a) for charges effective from 1 April 2020:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version FCP v3 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version FCP v3(332) as issued by the Panel in accordance with Clause 14.5.3;

(b) for charges effective from 1 April 2021:

[4] To be completed on implementation of DCP328

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version FCP v7 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version FCP [TBC][5] as issued by the Panel in accordance with Clause 14.5.3; or

(c) for charges effective from 1 April 2022 or later:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version FCP v9 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version FCP [TBC][6] as issued by the Panel in accordance with Clause 14.5.3.

……..

[5] To be completed on implementation of this DCP 328.
[6] To be completed on implementation of this DCP 328.

Amend the following title and paragraphs

28 DNO PARTY TO ~~UNLICENCED NETWORKS~~ LICENCE EXEMPT SYSTEMS

28.1 Not used.~~Unlicensed networks have a choice. If they are part of the Total System under the Balancing and Settlement Code with the network open to supply competition, and if they are party to the DCUSA, and have accepted the obligations to provide the necessary data, they can, if they wish, be treated as LDNOs~~.

28.2 ~~Otherwise the~~ The DNO Party applies the EDCM to calculate an import and export charge based on ~~capacity and~~ power flow data ~~metered~~ at the boundary and the agreed capacity at the boundary. Prior to Paragraph 28.3 and 28.4, for Final Demand Sites the residual charge will be calculated in accordance with Paragraph 18.18 and for Non-Final Demand Sites will be calculated in accordance to Paragraph 18.21A. ~~Any sole use assets specific to the unlicensed network are charged as a p/day sole use asset charge calculated as applicable to a normal EDCM Connectee~~

Add in new paragraphs 28.3 to 28.6B

28.3 The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported at the boundary between the network and the Licence Exempt System.

28.4 The tariffs in respect of Licence Exempt Systems using a Shared Metering arrangement shall be charged to the Primary Supplier based on the units imported or exported at the boundary between the network and the Licence Exempt System.

Or

28.3 The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported from all of the Metering Points that form part of the Difference Metering arrangement.

28.4 The tariffs in respect of Licence Exempt Systems using a Shared Metering arrangement shall be charged to the Primary Supplier based on the units imported or exported from all of the Metering Points that form part of the Shared Metering arrangement.

28.5 The tariffs charged in respect of Licence Exempt Systems using Fully Settled and Shared Metering shall be charged to the Supplier of each customer within the Licence Exempt System. To derive the charges there will be a two-step approach as follows:

- The first step will be to use the settlement metering data of each embedded customer within the relevant Licence Exempt System to determine the power flow data at the boundary for both import and export charges. No losses are assumed between the boundary and each embedded customers' premises on the relevant Licence Exempt System.

- The second step will be the allocation of the fixed charge and capacity charge derived under paragraph 28.2 to each embedded customer for both import and export charges for the relevant Licence Exempt System. These will be calculated as follows:

  [embedded customer Import/Export fixed charge in p/day] = [Import/Export fixed charge at the boundary] x [installed capacity of the embedded customer's Import/Export MPAN] / [total installed capacity of all embedded customers' Import/Export MPANs];

  [embedded customer Import capacity charge in p/kVA/Day] = [Import capacity charge at the boundary] x ([the Import agreed capacity at the boundary] / [total installed Import capacity of all embedded customers]); and

  [embedded customer Export capacity charge in p/kVA/Day] = [Export capacity charge at the boundary] x ([the Export agreed capacity at the boundary] / [total installed Export capacity of all embedded customers])

28.6 CDCM Tariffs for customers connected to Licence Exempt Systems are determined in accordance with paragraph 88A of Schedule 16, save that lower voltage elements are excluded as follows:

-
- where the Licence Exempt System is connected to the 132kV/HV substation, the costs associated with the LV customer, LV network, LV substation, HV network are excluded;
- where the Licence Exempt System is connected to the EHV network, the costs associated with the LV customer, LV network, LV substation, HV network and EHV/HV levels are excluded;
- where the Licence Exempt System is connected at a 132kV/EHV substation, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV and EHV network levels are excluded;
- where the Licence Exempt System is connected to the 132kV network, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network and 132kV/EHV levels are excluded;
- where the Licence Exempt System is connected direct to a GSP, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network, 132kV/EHV and 132kV network levels are excluded.

28.6A 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 half-hourly metered tariff at that voltage as determined under schedule 16.

28.6B 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 customer, determined from the DNO Party's volume forecast for the equivalent half-hourly metered tariff at that voltage as determined under schedule 16, and dividing by the number of days in the charging year.

ANNEX 1 – IMPLEMENTATION GUIDE SCHEDULE 17 – EHV CHARGING METHODOLOGY (FCP MODEL)

3. DEFINITIONS

Include new definitions to the Glossary of Terms used in this Schedule 17

Fully Settled	Where every customer on a Licence Exempt System is to have or has a Supplier, its own MPAN and metering equipment and there is no metering equipment at the boundary between the Distribution System and the Licence Exempt System. The BSC refers to these circumstances as an 'Associated Distribution System'.

SCHEDULE 18 – EHV CHARGING METHODOLOGY (LRIC MODEL)

This Schedule 18, version [TBC][7], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2022 and remain effective until superseded by a revised version.

1. INTRODUCTION

Eastern Power Networks plc;

Electricity North West Limited;

London Power Networks plc;

Northern Powergrid (Northeast) Limited;

Northern Powergrid (Yorkshire) plc;

South Eastern Power Networks plc;

Western Power Distribution (South Wales) plc; and

Western Power Distribution (South West) plc.

(a) for charges effective from 1 April 2020:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version LRIC v3 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version LRIC v3 (332) as issued by the Panel in accordance with Clause 14.5.3;

(b) for charges effective from 1 April 2021:

[7] To be completed on implementation of DCP328

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version LRIC v7 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version LRIC [TBC][8] as issued by the Panel in accordance with Clause 14.5.3; or

(c) for charges effective from 1 April 2022 or later:

(i) where the Authority has given no direction under Clause 19.1B, EDCM model version LRIC v9 as issued by the Panel in accordance with Clause 14.5.3; or

(ii) where the Authority has given direction under Clause 19.1B that periods of notice described in Clause 19.1A need not apply, EDCM model version LRIC [TBC][9] as issued by the Panel in accordance with Clause 14.5.3.

……

[8] To be completed on implementation of this DCP 328.
[9] To be completed on implementation of this DCP 328.

Amend the following title and paragraphs

28 DNO PARTY TO ~~UNLICENCED NETWORKS~~ LICENCE EXEMPT SYSTEMS

28.1 Not used.~~Unlicensed networks have a choice. If they are part of the Total System under the Balancing and Settlement Code with the network open to supply competition, and if they are party to the DCUSA, and have accepted the obligations to provide the necessary data, they can, if they wish, be treated as LDNOs~~.

28.2 ~~Otherwise the~~ The DNO Party applies the EDCM to calculate an import and export charge based on ~~capacity and~~ power flow data ~~metered~~ at the boundary and the agreed capacity at the boundary. Prior to Paragraph 28.3 and 28.4, for Final Demand Sites the residual charge will be calculated in accordance with Paragraph 18.18 and for Non-Final Demand Sites will be calculated in accordance to Paragraph 18.21A. ~~Any sole use assets specific to the unlicensed network are charged as a p/day sole use asset charge calculated as applicable to a normal EDCM Connectee~~

Add in new paragraphs 28.3 to 28.5B

28.3 The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported at the boundary between the network and the Licence Exempt System.

28.4 The tariffs in respect of Licence Exempt Systems using a Shared Metering arrangement shall be charged to the Primary Supplier based on the units imported or exported at the boundary between the network and the Licence Exempt System

Or

28.3 The tariffs in respect of Licence Exempt Systems using a Difference Metering arrangement shall be charged to the Supplier at the DNO Party's boundary based on the units imported or exported from all of the Metering Points that form part of the Difference Metering arrangement.

28.4 The tariffs in respect of Licence Exempt Systems using a Shared Metering arrangement shall be charged to the Primary Supplier based on the units imported or exported from all of the Metering Points that form part of the Shared Metering arrangement.

28.5 The tariffs charged in respect of Licence Exempt Systems using Fully Settled and Shared Metering shall be charged to the Supplier of each customer within the Licence Exempt System. To derive the charges there will be a two-step approach as follows:

- The first step will be to use the settlement metering data of each embedded customer within the relevant Licence Exempt System to determine the power flow data at the boundary for both import and export charges. No losses are assumed between the boundary and each embedded customers' premises on the relevant Licence Exempt System.

- The second step will be the allocation of the fixed charge and capacity charge derived under paragraph 28.2 to each embedded customer for both import and export charges for the relevant Licence Exempt System. These will be calculated as follows:

  [embedded customer Import/Export fixed charge in p/day] = [Import/Export fixed charge at the boundary] x [installed capacity of the embedded customer's Import/Export MPAN] / [total installed capacity of all embedded customers' Import/Export MPANs];

  [embedded customer Import capacity charge in p/kVA/Day] = [Import capacity charge at the boundary] x ([the Import agreed capacity at the boundary] / [total installed Import capacity of all embedded customers]); and

  [embedded customer Export capacity charge in p/kVA/Day] = [Export capacity charge at the boundary] x ([the Export agreed capacity at the boundary] / [total installed Export capacity of all embedded customers])

28.6 CDCM Tariffs for customers connected to Licence Exempt Systems are determined in accordance with paragraph 88A of Schedule 16, save that lower voltage elements are excluded as follows:

- where the Licence Exempt System is connected at an EHV/HV substation, the costs associated with the LV customer, LV network, LV substation and HV network levels are excluded;
- where the Licence Exempt System is connected to the 132kV/HV substation, the costs associated with the LV customer, LV network, LV substation, HV network are excluded;
- where the Licence Exempt System is connected to the EHV network, the costs associated with the LV customer, LV network, LV substation, HV network and EHV/HV levels are excluded;
- where the Licence Exempt System is connected at a 132kV/EHV substation, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV and EHV network levels are excluded;
- where the Licence Exempt System is connected to the 132kV network, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network and 132kV/EHV levels are excluded;
- where the Licence Exempt System is connected direct to a GSP, the costs associated with the LV customer, LV network, LV substation, HV network, EHV/HV, EHV network, 132kV/EHV and 132kV network levels are excluded.

28.6A 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 half-hourly metered tariff at that voltage as determined under schedule 16.

28.6B 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 customer, determined from the DNO Party's volume

forecast for the equivalent half-hourly metered tariff at that voltage as determined under schedule 16, and dividing by the number of days in the charging year.

……

ANNEX 1 – IMPLEMENTATION GUIDE SCHEDULE 18 – EHV CHARGING METHODOLOGY (LRIC MODEL)

3. DEFINITIONS

Include new definitions to the Glossary of Terms used in this Schedule 17

Fully Settled	Where every customer on a Licence Exempt System is to have or has a Supplier, its own MPAN and metering equipment and there is no metering equipment at the boundary between the Distribution System and the Licence Exempt System. The BSC refers to these circumstances as an 'Associated Distribution System'.

……

SCHEDULE 20 - PRODUCTION OF THE ANNUAL REVIEW PACK

Amend the version numbers to the introduction and paragraph below

This Schedule 20, version [TBC]~~10.0~~[10], is to be used for the calculation of Use of System Charges which will become effective from, 01 April 2018 and remain effective until superseded by a revised version.

1.1 The "Annual Review Pack" or "ARP" is a document to be completed by each DNO Party giving indicative (when first published in accordance with Clause 35B) and final (when updated in accordance with Clause 35B) Use of System Charges to apply pursuant to the Charging Methodology set out in Schedule 16 (the "CDCM"). The pack shall contain detail of historical and forecast CDCM inputs, and a forecast of use of system tariffs for the next 5 years, in accordance with Paragraph 2. The template to be used for the pack shall be ARP model version [TBC]~~104~~[11] when issued by the Panel.

[10] To be updated on the implementation of DCP328
[11] To be updated on the implementation of DCP328