

Legal Review Considerations

| Ref. | Consultation Response | Consideration | Update |
|------|-----------------------------------|--|---|
| 03 | Q4, Electricity North West | <i>There is significant risk to Distribution users as their potential liability may be to fund the works on an ongoing basis, when the works are being used and were needed by transmission users, particularly as there doesn't appear to be a mechanism for ongoing costs.</i> | <p>Ensure included in legal review.</p> <p>13/06 – Action taken to seek further clarity from ENW regarding 'ongoing costs'.</p> <p>22/06 – Response received from ENW and circulated to group to consider alongside legal review. To be discussed at the next meeting on 18 July.</p> |

Closed Considerations

| Ref. | Consultation Response | Consideration | Update |
|------|--|---|--|
| 01 | Q3, The Electricity Network Company Limited | <i>We think that the CAF should also not apply to connections which may be considered speculative under the definitions which currently exist in the CCCM. It is true that there may be limited circumstances where these can be applied but where a distribution connection is deemed to be speculative then that customer would be required to fully pay for the reinforcement that their connection is causing. This principle ought to apply to transmission connected customers.</i> | <p>Ensure included in legal review.</p> <p>13/06 – WG agreed to add in additional clause, section 3.7.</p> <p>20/06 – WG agreed to close this as it is complete.</p> |

| | | | |
|----|--|---|---|
| 04 | Q5, The Electricity Network Company Limited | <i>We do make reference in our later comments on the legal text around the way that these definitions may mean transmission connected customers pay less than distribution connected customers.</i> | <p>Ensure included in legal review.</p> <p>13/06 – Same concern as Consideration 09. Please see below.</p> <p>20/06 – WG agreed to close this.</p> |
| 05 | Q5, Northern Powergrid on behalf of Northern Powergrid (Northeast) plc and Northern Powergrid (Yorkshire) plc | <i>Yes we agree with the proposed definitions. We note that the term ‘Systems Connection Point’ is defined in the proposed schedule but is defined in DCUSA. It may be clearer to include the DCUSA definition.</i> | <p>Ensure included in legal review.</p> <p>13/06 – WG agreed that as the term is defined in DCUSA 1A, no further action is needed.</p> <p>20/06 – WG agreed to close this.</p> |
| 06 | Q5, SSE Generation | <i>The majority of the defined terms are already used elsewhere in the DCUSA (in particular Schedule 22) but are defined differently in the new Schedule. We are concerned that this could lead to confusion amongst industry parties and wonder whether the terms can be renamed to avoid this risk (e.g. by using a suffix ‘a’, or ‘Sched. X’).</i> | <p>Ensure included in legal review.</p> <p>13/06 –WG agreed for this matter to be referred to the DCUSA legal advisers.</p> <p>20/06 – WG agreed to close this as a comment has been added to the legal text to be included in legal review.</p> |
| 07 | Q5, Scottish and Southern Electricity Networks | <i>Definitions should align with existing definitions where possible.</i> | <p>Ensure included in legal review.</p> <p>13/06 – Same concern as Consideration 06 above, WG agreed for this matter to be referred to the DCUSA legal advisers.</p> <p>20/06 – WG agreed to close this as a comment has been added to the legal text to be included in legal review.</p> |

| | | | |
|----|--|---|--|
| 08 | Q6, ESP Electricity | <i>We would question whether the de-minimis values in the ECCR are fit for purpose to pre-empt any potential scenarios where the triggered distribution works may be materially higher/lower when triggered by transmission connections.</i> | <p>Working Group to consider this question.</p> <p>13/06 - The Working Group amended 5.5a and 6.5a within the legal text to replace '£300' with 'the value stated in the latest version of the ECCR'.</p> <p>20/06 – WG agreed to close this as a comment has been added to the legal text to be included in legal review.</p> |
| 09 | Q12 - The Electricity Network Company Limited | <i>We think that the definitions and formulae used mean that transmission connected customers may pay less than distribution connected customers under the Security CAF. The numerator for the Security CAF is the Required Capacity which is defined as the increase in capacity from the existing Systems Connection capacity. This may be lower than the required capacity of the connection whereas, for a distribution connected customer, the numerator is the required capacity for the individual customer or development. Although we recognise that the incremental capacity requirement will drive the reinforcement this is also true of distribution connected customers, but their total required capacity is taken into account when determining the contribution towards the reinforcement. We think that it would be equitable for the total capacity requirements of the connection customer to be used for the numerator in the Security</i> | <p>WG to consider the formula</p> <p>13/06 – An action was taken by DNO members to consider this.</p> <p>20/06 – WG agreed to close this as a comment has been added to the legal text to be included in legal review.</p> |

| | | | |
|----|---|---|--|
| | | <i>Level CAF. Similarly, we would question whether it is correct to use the incremental fault level contribution rather than the total fault level contribution at the appropriate point on the distribution system.</i> | |
| 10 | Q6, Electricity North West (also raised in multiple other responses) | <i>We are unsure why this proposal, as scoped, is only within DCUSA as this will not convey the necessary powers and obligations to make the approach work. We do not believe that the second and third comers transmission customers can be charged under the existing framework, therefore existing distribution customers would always fund the works.</i> | <p>Working Group to consider the matter of transmission customers not being party to the DCUSA. Potential need for bilateral agreements and/or a subsequent CUSC change.</p> <p>13/06 – WG agreed for this matter to be referred to the DCUSA legal advisers.</p> <p>20/06 – WG agreed to close this as a comment has been added to the legal text to be included in legal review.</p> |
| 11 | Q9 | <i>Part of Charging methodology or a separate document</i> | <p>WG decision required.</p> <p>13/06 – WG agreed that the Schedule should form a separate document.</p> <p>20/06 – WG agreed to close this as the legal text has been amended accordingly.</p> |
| 12 | Q10 – All responses | <i>Obligation to also apply to IDNOs</i> | <p>WG to consider and decide whether IDNOs should be included within the new schedule and if so, legal text will need to be amended accordingly.</p> <p>13/06 – WG agreed that IDNOs should be included within the Schedule.</p> |

| | | | |
|----|------------|--|---|
| | | | 20/06 – WG agreed to close this as the legal text has been amended accordingly. |
| 13 | Q11 | <i>IDNO visibility of charging methodology</i> | <p>WG to decide (dependent upon answers to Q9 and Q10)</p> <p>13/06 – WG agreed that an obligation should be placed on IDNOs regarding the visibility of the Schedule.</p> <p>20/06 – WG agreed to close this as the legal text has been amended accordingly.</p> |